



**Carlos Jackson**  
Executive Director

**HOUSING AUTHORITY  
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755  
323.890.7001 • TTY: 323.838.7449 • [www.lacdc.org](http://www.lacdc.org)



**Gloria Molina**  
**Yvonne Brathwaite Burke**  
**Zev Yaroslavsky**  
**Don Knabe**  
**Michael D. Antonovich**  
Commissioners

**PUBLIC NOTICE**

**THIS IS TO ADVISE YOU THAT THE NEXT  
HOUSING COMMISSION MEETING  
WILL BE HELD ON  
MAY 28 AT 12:00 NOON  
LOCATED AT:**

**HOUSING AUTHORITY/PALMDALE OFFICE  
2323 EAST PALMDALE BLVD.  
PALMDALE, CA 93550  
(661) 575-1510**

**AND**

**COMMUNITY DEVELOPMENT COMMISSION  
VIA VIDEO CONFERENCE  
2 CORAL CIRCLE  
MONTEREY PARK, CA 91755  
(323) 890-7001**

Reminder that readers should check the web site within 72 hours prior to each meeting,  
to confirm meeting location.

**Access to the Agenda and supporting documents are available at the above web site.**

The Housing Commission meetings are held during lunch hour. **Lunch will not be provided.**  
Persons attending the meetings are welcome to bring their own lunch.

Agenda in Braille are available upon request. American Sign Language (ASL) interpreters, or reasonable modifications to Housing Commission meeting policies and/or procedures, to assist members of the disabled community who would like to request a disability-related accommodation in addressing the Commission, are available if requested at least three business days prior to the Housing Commission meeting. Later requests will be accommodated to the extent possible. Please contact the Executive Office of the Housing Authority by phone at (323) 838-5051, or e-mail at [marisol.ramirez@lacdc.org](mailto:marisol.ramirez@lacdc.org) from 8:00 a.m. to 5:00 p.m. Monday through Friday.



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Commissioners

**AGENDA  
FOR THE REGULAR MEETING OF THE  
LOS ANGELES COUNTY HOUSING COMMISSION  
WEDNESDAY, MAY 28, 2008  
12:00 NOON  
HOUSING AUTHORITY  
PALMDALE OFFICE  
2323 EAST PALMDALE BLVD.  
PALMDALE, CA 93550  
(661) 575-1510**

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**1. Call to Order**

**2. Roll Call**

**Severyn Aszkenazy, Chair**  
**Adriana Martinez, Vice Chair**  
**Philip Dauk**  
**Lynn Caffrey Gabriel**  
**Henry Porter, Jr.**  
**Alberta Parrish**

**3. Reading and Approval of the Minutes of the Previous Meetings**

Regular Meeting of April 23, 2008

The regular Meeting of March 26, 2008, was cancelled.

Regular Meeting of February 27, 2008

**4. Report of the Executive Director**

**5. Public Comments**

The public may speak on matters that are within the jurisdiction of the Housing Commission. Each person is limited to three minutes.

**6. Staff Presentations**

Quarterly Construction Contract Status Report – Geoffrey Siebens

Legislative Update – Elisa Vasquez



**Consent Calendar**  
(Items Continued from Previous Meetings)

**7. Concur with the Board of Commissioners' Approval of an Agreement with Simpson & Simpson, CPAs for Financial Audit Services (All Districts)**

Concur with the following actions of the Board of Commissioners and find that approval of a one-year agreement for Financial Audit Services is not subject to the provisions of the California Environmental Quality Act (CEQA); approve the expenditure of an aggregate of up to approximately \$211,863 for financial auditing services provided to the Housing Authority by Simpson & Simpson, CPAs; approve the expenditure of additional funds of up to \$60,000 for any unforeseen, needed financial audit services. (CONCUR)

**8. Concur with the Board of Commissioners' Approval of Three Construction Contracts and Two Environmental Assessment and Remediation Agreements for Modernization of Eight Elevators at Three Housing Authority Senior Housing Developments (2,3)**

Concur with the following actions of the Board of Commissioners and find that approval of construction contracts and environmental assessment and remediation agreements for modernization of eight elevators is exempt from the provisions of the California Environmental Quality Act (CEQA); approve and authorize the Executive Director to execute three construction contracts in the aggregate amount of \$2,273,000 with ML Construction, to modernize eight elevators at the following three senior housing developments: South Bay Gardens in unincorporated Los Angeles County, Marina Manor, and Palm Apartments; approve and authorize the Executive Director to execute two environmental assessment and remediation agreements in the aggregate amount of \$160,000 with Rincon Consultants, Inc., for environmental assessment services; authorize the Executive Director to use a maximum aggregate amount of \$2,433,000 in Capital Fund Program (CFP) funds for the purposes described herein, and authorize the Executive Director to approve contract change orders not to exceed \$486,600 for unforeseen project costs; authorize the Executive Director to incorporate up to \$2,919,600 in CFP funds into the Housing Authority's approved Fiscal Year 2007-2008 budget. (CONCUR)

**9. Concur with the Board of Commissioners' Approval of the 2008-2009 Action Plan for the Allocation of Federal Funds (All Districts)**

Concur with the following actions of the Board of Commissioners and authorize the Housing Authority of the County of Los Angeles (Housing Authority) to accept from the County of Los Angeles an estimated \$2,008,511 in Fiscal Year 2008-2009 Community Development Block Grant (CDBG) funds, and to continue administration of \$1,737,704 in prior year CDBG funds; authorize the Executive Director of the Housing Authority to request the incorporation of \$2,008,511 into the Housing Authority's budget; authorize the Executive Director to execute CDBG Reimbursable Contracts

with the County of Los Angeles, to provide funding for the activities described herein. (CONCUR)

**10. Concur with the Board of Commissioners' Approval of Resolution Authorizing the Issuance of Multifamily Housing Mortgage Revenue Bonds for the Sierra Bonita Apartments in the City of West Hollywood (3)**

Concur with the following actions of the Board of Commissioners and find that adoption of a Resolution authorizing the issuance of Multifamily Housing Mortgage Revenue Bonds by the Housing Authority of the County of Los Angeles (Housing Authority) to finance site acquisition and construction of the 42-unit Sierra Bonita Apartments is not subject to the California Environmental Quality Act (CEQA); adopt a Resolution authorizing the issuance of Multifamily Housing Mortgage Revenue Bonds by the Housing Authority, in an aggregate amount not exceeding \$11,000,000, to assist 7530 Santa Monica L.P. (Developer) in financing site acquisition and construction of the 42-unit Sierra Bonita Apartments (Project), to be located at 7530 Santa Monica Boulevard in the City of West Hollywood; authorize the Executive Director to execute all related documents and take all necessary actions for the Developer to finance site acquisition and construction of the Project. (CONCUR)

**11. Concur with the Board of Commissioners' Approval of Construction Contract for Willowbrook Townhomes Site Improvements and Rehabilitation Project (2)**

Concur with the following actions of the Board of Commissioners and find that approval of a construction contract for exterior site improvements and rehabilitation of one vacant unit at the Willowbrook Townhomes is exempt from the provisions of the California Environmental Quality Act (CEQA); approve and authorize the Executive Director to execute a contract, in the amount of \$244,757, with SPEC Construction Company, Inc.; authorize the Executive Director to use a total of \$244,757 in General Fund Bond Fees; and authorize the Executive Director to approve contract change orders not exceeding \$48,951. (CONCUR)

**12. Concur with the Board of Commissioners' Approval of Construction Contract for Fire Alarm System Replacement at Herbert Avenue Senior Housing Development (1)**

Concur with the following actions of the Board of Commissioners and find that approval of a construction contract for the replacement of the fire alarm system at the Herbert Avenue senior housing development is exempt from the provisions of the California Environmental Quality Act (CEQA); authorize the Executive Director to execute a contract in the amount of \$66,900 with JAM Corporation (Contractor), to complete fire alarm system replacement at the Herbert Avenue senior housing development; authorize the Executive Director to use a total of \$66,900 in Capital Fund Program (CFP) funds, for the purposes described above; authorize the Executive Director to approve

contract change orders not to exceed \$16,725 for unforeseen project costs. (CONCUR)

**13. Concur with the Board of Commissioners' Approval of Construction Contract for 106<sup>th</sup> Street Housing Development Drainage Improvements Project (2)**

Concur with the following actions of the Board of Commissioners and find that approval of a construction contract for drainage improvements at the 106<sup>th</sup> Street housing development is exempt from the provisions of the California Environmental Quality Act (CEQA); approve and authorize the Executive Director to execute a contract in the amount of \$68,450 with Belaide-West Landscape, Inc. to complete the site drainage improvements at the subject property; authorize the Executive Director to use a total of \$68,450 in Capital Fund Program (CFP) funds for the purposes described herein; and authorize the Executive Director to approve contract change orders not exceeding \$13,690 for unforeseen project costs. (CONCUR)

**14. Concur with the Board of Commissioners' Approval of Construction Contract for 106<sup>th</sup> Street Fire Damage Repair & Rehabilitation Project (2)**

Concur with the following actions of the Board of Commissioners and find that approval of a construction contract for fire damage repair and rehabilitation at the 106<sup>th</sup> Street housing development is exempt from the provisions of the California Environmental Quality Act (CEQA); approve and authorize the Executive Director to execute a contract in the amount of \$293,800 with C.A.S. General Contractor, to complete fire damage repair and rehabilitation at the subject property; authorize the Executive Director to use a total of \$217,982 in Capital Fund Program (CFP) funds; authorize the Executive Director to approve contract change orders not exceeding \$29,380 for unforeseen project costs. (CONCUR)

**15. Approve Purchase of Property Insurance, Excess Workers' Compensation and Excess General and Automobile Liability Insurance for the Housing Authority (All Districts)**

Recommend that the Board of Commissioners find that the purchase of property insurance, excess workers' compensation insurance and excess general and automobile liability insurance is not subject to the provisions of the California Environmental Quality Act (CEQA); approve the combined purchase, with the Community Development Commission, of property insurance, excess workers' compensation insurance and excess general and automobile liability insurance, at a premium cost of approximately \$800,000 for the period from July 1, 2008 to June 30, 2009, through Alliant Insurance Services, Inc. (APPROVE)

## Regular Agenda

**16. Approve the Housing Authority of the County of Los Angeles' Fiscal Year 2008-2009 Budget (All Districts)**

Recommend that the Board of Commissioners adopt and sign a Resolution approving the Housing Authority Fiscal Year 2008-2009 Budget, which includes revenues and expenditures of \$294,058,500; adopt and sign a Resolution approving the cost allocation model; approve amendment of the Housing Authority's Monthly Salary Schedule effective July 1, 2008. (APPROVE)

**17. Approve Construction Contract for Carmelitos Metal Plate Installation and Stair Tread Replacement Project (4)**

Recommend that the Board of Commissioners find that the approval of a construction contract for interior stairs improvements at the Carmelitos housing development is exempt from the provisions of the California Environmental Quality Act (CEQA); approve and authorize the Executive Director to execute a contract in the amount of \$1,141,200, in substantially the form of the attached, and all related documents, with Newman Midland Corporation to complete metal plate installation and stair tread replacement at the subject property, to be effective following execution by all parties and the issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval; authorize the Executive Director to approve contract change orders not exceeding \$228,240 for unforeseen project costs. (APPROVE)

**18. Approve Construction Contract for Flooring Replacement at Three Housing Authority Senior Housing Developments (1, 5)**

Recommend that the Board of Commissioners find that the approval of a construction contract for flooring replacement at Herbert Avenue, Whittier Manor, and Foothill Villa is exempt from the provisions of the California Environmental Quality Act (CEQA); approve and authorize the Executive Director to execute a contract in the amount of \$318,333 with Continental Flooring Company, dba Arizona Continental Flooring Company, to complete flooring replacement at the subject properties, following approval as to form by County Counsel, to be effective upon the issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval; authorize the Executive Director to approve contract change orders not exceeding \$79,583 for unforeseen project costs. (APPROVE)

**19. Approve Acceptance of Resident Opportunities and Self-Sufficiency Resident Service Delivery Models Program Funds from the U.S. Department of Housing and Urban Development (All Districts)**

Recommend that the Board of Commissioners find that acceptance of the Resident Opportunities and Self-Sufficiency Resident Service Delivery Models Program (ROSS Program) funds is not subject to the provisions of the California Environmental Quality Act (CEQA); authorize the Executive Director to accept from the U.S. Department of Housing and Urban

Development (HUD) a \$450,000 grant of ROSS Program funds to implement a three-year supportive services program to promote independent living for up to 1,429 elderly and persons with disabilities who reside at the 14 conventional public housing sites; and authorize the Executive Director to execute all documents required for receipt of the grant; authorize the Executive Director to prepare and execute contracts and any amendments thereto, as needed, with multiple community organizations and service providers, in a combined total amount not to exceed \$450,000, to assist with program planning, implementation, and administration of activities, in accordance with HUD requirements, following approval as to form by County Counsel. (APPROVE)

**20. Approve Purchase Agreement for Interior Paint for Maintenance of Housing Authority Properties (All Districts)**

Recommend that the Board of Commissioners find that approval of an agreement for the purchase of interior paint is exempt from the provisions of the California Environmental Quality Act (CEQA); approve and authorize the Executive Director to execute the agreement, in substantially the form of the attached, and all related documents, in an amount not to exceed \$102,995, with Vista Paint Corporation, for a one-time purchase of 1,500 gallons of interior paint for the maintenance of 56 housing developments located throughout Los Angeles County, to be effective following approval as to form by County Counsel and execution by all parties. (APPROVE)

**21. Approve Award of One-Year Contracts to Provide Countywide Relocation Services (All Districts)**

Recommend that the Board of Commissioners find that the execution of one-year Contracts for Consulting Services is not subject to the California Environmental Quality Act (CEQA); approve and authorize the Executive Director to execute one-year contracts with Del Richardson & Associates, Paragon Partners, Ltd., Epic Land Solutions, Inc., and Overland, Pacific & Cutler, Inc., using substantially the form of the attached contract, the aggregate amount of which will not exceed \$500,000, to provide relocation consulting services on a project-by-project basis for various housing projects throughout the County of Los Angeles, to be effective upon approval by County Counsel and execution by all parties; authorize the Executive Director to execute amendments to the one-year Contracts, following approval as to form by County Counsel, to extend the time of performance for a maximum of two years, in one-year increments, at \$500,000 for the second year and \$500,000 for the third year, using funds to be approved through the annual budget process. (APPROVE)

**22. Housing Commissioners Comments and Recommendations for Future Agenda Items**

Housing Commissioners may provide comments or suggestions for future Agenda items.

Copies of the preceding agenda items are on file and are available for public inspection between 8:00 a.m. and 5:00 p.m., Monday through Friday, at the Housing Authority's main office located at 2 Coral Circle in the City of Monterey Park. Access to the agenda and supporting documents is also available on the Housing Authority's website.

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THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES  
MINUTES FOR THE REGULAR MEETING OF THE  
LOS ANGELES COUNTY HOUSING COMMISSION

Wednesday, April 23, 2008

The meeting was convened at the Nueva Maravilla Housing Development, located at 4909 Cesar E. Chavez Avenue, Los Angeles, California.

Digest of the meeting. The Minutes are being reported seriatim. A taped record is on file at the main office of the Housing Authority.

The meeting was called to order by Chair Severyn Aszkenazy at **12:20 p.m.**

<b>ROLL CALL</b>	<b><u>Present</u></b>	<b><u>Absent</u></b>
Severyn Aszkenazy	X	
Adriana Martinez	X	
Philip Dauk		X
Lynn Caffrey Gabriel		X
Henry Porter, Jr.	X	
Alberta Parrish		X

**PARTIAL LIST OF STAFF PRESENT:**

Carlos Jackson, Executive Director  
Bobbette Glover, Assistant Executive Director  
Maria Badrakhhan, Director, Housing Management  
Margarita Lares, Acting Director, Assisted Housing

**GUESTS PRESENT:**

Mr. Eddie Lockheart, Section 8 Participant

**Due to lack of a quorum, Ms. Glover recommended proceeding with discussion of the agenda items and staff presentations, after which the agenda items would be placed on a consent calendar for a vote at the next meeting. Any items requiring further discussion at the next meeting could be removed from the consent calendar for discussion prior to a vote.**

**Reading and Approval of the Minutes of the Previous Meeting**

The reading and approval of the February 27, 2008 minutes was postponed due to a lack of a quorum.

#### **Agenda Item No. 4 - Report of the Executive Director**

Bobbette Glover reported on the following items:

Ms. Glover asked Margarita Lares to provide a status report on the Housing Authority's responses to HUD findings on the Section 8 Program. Ms. Lares reported that: the Housing Authority is 1,000 families away from utilizing its allocation of 19,747 vouchers; 95 percent of housing vouchers are currently being utilized, and there are sufficient housing requests to meet the goal of 98 percent by the end of 2008; additional applications will be processed to off-set participants that leave the program. Karen Ramirez-Smith added that HUD now determines administrative fees based on the number of leased units. Commissioner Porter asked about the impact participants in jeopardy of losing their vouchers has on the overall lease-up goal. Ms. Lares acknowledged that this is a challenge, particularly since there is no longer a consultant to assist families with finding homes. SocialServe.com is very helpful and is the primary tool used to identify housing units.

Ms. Lares stated that major progress is being made in completing participant eligibility re-examinations within 30 days of the annual renewal date. The Re-examination Unit is also being reorganized into five groups, with a lead person in each group, in order to more effectively assess training needs, monitor performance and address other management needs.

The HUD Audit Report has been sent from the Office of the Inspector General (OIG) to the local Los Angeles HUD office. HUD has taken action on 12 of the 13 recommendations. The Housing Authority replied to the report on March 22, 2008, and has not received a response.

Mr. Jackson reported on the Corrective Action Plan (CAP). Two members of the Board of Supervisors have not taken the required test, leaving this item open on the CAP. With the assistance of County Counsel, the Housing Authority has retained an outside attorney who has opined that HUD does not have the legal authority to impose the findings on the Housing Authority, since the regulation cited by HUD pertains to Public Housing and not Section 8. This opinion was included in the Housing Authority's response to HUD. Regarding the Executive Director's replacement, HUD indicated that they are waiting for further guidance.

Ms. Lares added that HUD's deadline to finalize all reports is June 8<sup>th</sup>. OIG has indicated that once the report has been completed, the local HUD office will have total decision making authority. The local HUD office has stated that they are waiting for further advice from OIG.

Mr. Jackson announced that Friday was the closing date of recruitment for the Assisted Housing Director position.

Maria Badrakhan reported on the 2006-2007 Public Housing Assessment Systems (PHAS) inspection results. The Housing Authority achieved a score of 83 out of 100. A score of 70 is considered a standard performer. The inspections are conducted by independent consultants who evaluate safety violations and maintenance issues. One corrective action was recommended and a response has been submitted to HUD, resulting in full compliance with all indicators.

Ms. Glover provided an update on the Agency Plan. She reported that two days before the end of the public comment period, Neighborhood Legal Services (NLS) submitted a letter expressing concerns, and that the Housing Authority has responded. NLS and Legal Aid attended the Board meeting of March 25, 2008, to address the following: the process of removing applicants from the waiting list; whether translators are provided at applicant briefings; extension of the 60-day voucher search period; and how Section 8 termination hearings are conducted. The Housing Authority is preparing a response. All public concerns raised at the meeting have been addressed, and the Board of Commissioners has approved the Agency Plan.

Ms. Glover provided an update on the Ujima Housing Development. HUD has agreed to provide relocation assistance to the residents. It will provide vouchers and subsidized rent for the 108 tenants who are on the Section 8 project-based program. HUD will provide limited moving assistance. HUD will hire a national relocation firm that will be strictly under HUD's direction.

The testing work at Ujima has begun. On April 10, 2008, the Water Board held a meeting at the Enterprise Park to inform Ujima residents, users of Magic Johnson Park, business owners and property owners of the current findings and the duration of the testing period. The testing period is scheduled to end in July 2008. Supervisor Burke, members of Water Board, and the Department of Toxic Substance Control were in attendance. A second meeting was held with Ujima Village residents. During the meeting, an Exxon Mobile consultant gave an overview of the testing work and HACOLA staff spoke about HUD's relocation assistance.

Residents feel they need enhanced benefits to off-set moving expenses such as security and utility deposits required for new units. The Housing Authority will try to accommodate residents who have inquired about moving to South Bay Gardens.

Supervisor Burke and Congresswoman Richardson are going to Washington next week to meet with the Acting HUD Secretary and other HUD staff regarding assisting Ujima Village residents.

Mr. Jackson reported on the following: on July 7, 2008, he will retire from his position as Executive Director; on May 7, 2008, the trial begins on the Antelope Valley case regarding the conduct of compliance inspections; in March 2008, a judge sanctioned NLS for soliciting clients for a class action lawsuit and, since no settlement was reached, a trial will begin in May.

Ms. Glover extended an invitation to the Housing Commissioners to attend a Leadership Seminar and asked that they advise Lourdes Moreno or Marisol Ramirez-Martinez of her staff if they wish to attend.

Ms. Glover announced that information on the Board-mandated Sexual Harassment Prevention and Diversity training will be forthcoming.

**Agenda Item No. 5 – Public Comments**

Mr. Eddie Lockheart, Section 8 participant, commented on an issue with his landlord. Margarita Lares, agreed to try to assist him.

**Agenda Item No. 6 - Staff Presentations**

The Quarterly Construction Contract Status Report will be postponed and presented at the next meeting.

**Regular Agenda**

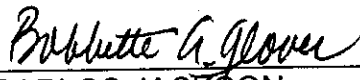
AFTER DISCUSSION OF THE AGENDA ITEMS IT WAS DECIDED THAT AGENDA ITEM NUMBER 7 THROUGH 10 AND AGENDA ITEMS NUMBER 12 THROUGH 16 WILL BE PRESENTED FOR CONSENT AT THE NEXT MEETING. AGENDA ITEM NUMBER 11 WILL BE PLACED ON THE REGULAR AGENDA FOR A VOTE.

**Agenda Item No. 17 – Housing Commissioner Comments and Recommendations for Future Agenda Items**

There were no Commissioner comments.

Commissioner Aszkenazy adjourned the Regular Meeting of April 23, 2008, at 2:08 p.m.

Respectfully submitted,

  
for CARLOS JACKSON  
Secretary – Treasurer

## HOUSING AUTHORITY COUNTY OF LOS ANGELES - CONVENTIONAL AND NON-CONVENTIONAL HOUSING

GROUP NO.	SITE	HUD DEV. NO.	PROJECT NUMBER	ADDRESS	NO. OF UNITS
1	Carmelitos (family)	CA16P002001	SS1102	700 Via Wanda, Long Beach 90805	558
1	Carmelitos (senior)	CA16P002026	SS1102	761 Via Carmelitos, Long Beach 90805	155
<b>Total Unit Count: Carmelitos</b>					<b>713</b>
2	Harbor Hills (family/senior)	CA16P002002	SS1203	26607 S. Western Ave., Lomita 90717	301
<b>Total Unit Count: Harbor Hills</b>					<b>301</b>
3	Nueva Maravilla (family/senior)	CA16P002004	SS1301	4919 E. Cesar E. Chavez Ave., Los Angeles 90022	504
<b>Total Unit Count: N. Maravilla</b>					<b>504</b>
4	West Knoll (senior)	CA16P002014	SS3001	638 West Knoll Ave., West Hollywood 90069	136
4	Palm Apartments (senior)	CA16P002014	SS3002	959 Palm Ave., West Hollywood 90069	127
<b>Total Unit Count: West County 1</b>					<b>263</b>
5	Marina Manor I (senior)	CA16P002013	SS3003	3401 Via Dolce, Marina Del Rey 90292	112
5	Marina Manor II (senior)	CA16P002027	SS3003	3405 Via Dolce, Marina Del Rey 90292	71
5	Ocean Park (family/senior)	CA16P002018	SS3006	175 Ocean Park Boulevard, Santa Monica 90405	22
5	Monica Manor (family)	CA16P002097	SS3007	1901-1909 11th Street, Santa Monica 90405	19
<b>Total Unit Count: West County 2</b>					<b>224</b>
6	Orchard Arms (senior)	CA16P002030	SS2001	23410-23540 Wiley Canyon Rd., Valencia 91355	183
6	Foothill Villa (senior)	CA16P002029	SS2002	2423 Foothill Boulevard, La Crescenta 91214	62
6	Quartz Hill I (family)	CA16P002062	SS2003	5028 West Avenue L-12, Quartz Hill 93536	20
6	Quartz Hill II (family)	CA16P002069	SS2003	42051 51th Street West, Quartz Hill 93536	20
<b>Total Unit Count: North County</b>					<b>285</b>
7	Francisquito Villa (family)	CA16P002015	SS4002	14622 Francisquito Ave., La Puente 91746	89
7	Carmelita Avenue (senior)	CA16P002091	SS4003	354-354 So. Carmelita Ave., Los Angeles, 90063	2
7	McBride Avenue (family)	CA16P002021	SS4004	1229 So. McBride Ave., Los Angeles, 90023	4
7	Williamson Avenue (family)	CA16P002020	SS4005	706-708 1/2 So. Williamson Ave., Los Angeles, 90022	4
7	Triggs Street (family/senior)	CA16P002097	SS4006	4432-4434 1/2 Triggs St., Los Angeles 90023	4
7	Simmons Avenue (family)	CA16P002021	SS4007	927 So. Simmons Ave., Los Angeles, 90022	4
7	4th & Mednick (family)	CA16P002034	SS4009	341 So. Mednick Ave., Los Angeles, 90022	2
7	Arizona & Olympic (family)	CA16P002048	SS4010	1003-1135 So. Arizona Ave., Los Angeles 90022	18
7	Whittier Manor (senior)	CA16P002033	SS4011	11527 Slauson Ave., Whittier 90606	49
7	Herbert Ave (senior)	CA16P002058	SS4012	133 Herbert Ave., Los Angeles 90063	46
7	Sundance Vista (family)	CA16P002156	SS4014	10850 Laurel Ave., Whittier 90605	41
<b>Total Unit Count: East County</b>					<b>263</b>
8	El Segundo I (family)	CA16P002023	SS5001	1928/3749 E. El Segundo Blvd., Compton 90222	30
8	South Bay Gardens (seniors)	CA16P002032	SS5002	230 E. 130th St., Los Angeles 90061	100
8	1115-16 W. 90th St. (family)	CA16P002091	SS5006	1115-16 W. 90th St., Los Angeles 90044	18
8	El Segundo II (2140) (family)	CA16P002052	SS5015	2140-2144 1/2 E. El Segundo Blvd., Compton 90222	13
8	El Segundo II (2141) (family)	CA16P002061	SS5015	2141-2145 E. El Segundo Blvd., Compton 90222	5
8	9104-18 S. Bandera St. (family)	CA16P002080	SS5016	9104-18 S. Bandera St., Los Angeles, 90002	8
8	1535 E. 83rd Street (family)	CA16P002080	SS5017	1535 E. 83rd St., Los Angeles 90002	2
8	1615-17 E. 87th Street (family)	CA16P002067	SS5018	1615-17 E. 87th St., Los Angeles 90002	4
8	8739 Beach St. (88th & Beach) (family)	CA16P002056	SS5019	8739 Beach St., Los Angeles 90002	4
8	4212-20 E. Addington Street (family)	CA16P002071	SS5020	4212-20 E. Addington St., Compton 90221	3
8	W. Imperial (family)	CA16P002132	SS5026	1221 & 1309 E. Imperial Hwy., Los Angeles 90044	9
8	Athens (family)	CA16P002127	SS5027	1120 W. 107th St., 1310 W. 110th St., & 11104 S. Normandie Ave., Los Angeles 90044	10
8	1527 E. 84th (family)	CA16P002107	SS5029	1527 E. 84th St., Los Angeles 90001	4
8	Jarvis Avenue (family)	CA16P002107	SS5030	12920 Jarvis Ave., Los Angeles 90061	1
8	Woodcrest I (family)	CA16P002066	SS5003	1239 W. 109th St., Los Angeles 90044	10
8	Woodcrest II (family)	CA16P002090	SS5003	1245 W. 109th St., Los Angeles 90044	10
8	1101-09 W. 91st (family)	CA16P002021	SS5006	1101-09 W. 91st St., Los Angeles 90044	16
8	1232-34 E. 119th (family)	CA16P002021	SS5007	1232-34 E. 119th St., Los Angeles 90059	2
8	1231-33 E. 61st (family)	CA16P002021	SS5008	1231-33 E. 61st St., Los Angeles 90001	6
8	1100 W. 106th Street (family)	CA16P002021	SS5009	1100 W. 106th St., Los Angeles 90044	10
8	1104 W. 106th Street (family)	CA16P002020	SS5009	1104 W. 106th St., Los Angeles 90044	10
8	1320 W. 107th (family)	CA16P002021	SS5010	1320 W. 107th St., Los Angeles 90044	18
8	11431-463 S. Normandie (family)	CA16P002020	SS5011	11431-463 S. Normandie Ave., Los Angeles 90047	28
8	1027-33 W. 90th (family)	CA16P002078	SS5014	1027-33 W. 90th St., Los Angeles 90044	6
8	W. 106th Street & Budlong (family)	CA16P002079	SS5021	1334-38 W. 106th St., 9410 & 11126 Budlong Ave., Los Angeles 90044	11
8	W. 94th & 95th Street (family)	CA16P002060	SS5022	1035-37 1/2 W. 94th St. & 1324 W. 95th St., Los Angeles 90044	8
8	W. 105th & 106th (family)	CA16P002124	SS5024	1336-40 W. 105th St. & 1057 W. 106th St., Los Angeles 90044	13
8	Century Wilton (family)	CA16P002020	SS5025	10025 Wilton Place, Los Angeles 90047	40
8	11248 S. Budlong (family)	CA16P002138	SS5028	11248 S. Budlong, Los Angeles 90044	5
8	111th & Firmona	Pending	SS5031	11117 & 11119 Firmona Ave., Lennox 90304	2
8	Lindsey	Pending	SS5032	4521 & 4625 Linsley St., Compton 90221	2
<b>Total Unit Count: South County</b>					<b>409</b>

<b>Total Housing Authority-Owned - Conventional</b>				<b>2,962</b>
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City of Lomita Conventional	Lomita Manor (senior)		SS1204	24925 Walnut St., Lomita 90717	78
<b>Non-Conventional Housing</b>					
	Kings Road JPA (senior)		UU0001	800-801 N. Kings Road, West Hollywood 90069	106
	Lancaster Homes (senior)		UU0002	711-737 W. Jackman St., Lancaster 93534	120
	Santa Monica RCHP (family)		SS3005	1855 9th St., 1450 14th St., & 2006 20th St., Santa Monica 90405	41
	Villa Nueva RHCP (family)		SS4013	958-976 S. Ferris Ave., Los Angeles 90022	21
	Willowbrook (family)		SS9001	11718-11740 Willowbrook Ave., Los Angeles 90044	8
	Ujima Village (family/senior)		SS9001	941 E. 126th St., Los Angeles 90059	300
<b>Total Number of Units- Non Conventional</b>					<b>596</b>

<b>Total Number of Units- HM</b>					<b>3,636</b>
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# Contract Status Report

FOR YOUR INFORMATION ONLY

**Project Filter**  
**Program:** All Programs  
**Department:** Construction Management  
**Dev. Stage:** Active  
**District:** All Distr.

**Proj. Manager:** All Managers  
**Team Member:** All Team Members  
**Fund Source:** All funds

District Project Name	Contractor Name	Original	Current	% Cng	Approved	%Cmpl	Pending Action / Forecast
		Contract Amount	Contract Amount				
1st Linsley-Firmona Rehab (Replacement Housing Funds) Tracker #: TP001780	C. A. S. General Contractor	\$223,610	\$232,310	4%	\$85,197	37%	Progress payment no. 2 issued. Windows and doors received & stored at the sites. CMD is working on change order no. 2 with CAS regarding (1) sub-floor condition and the preparation for new VCT flooring finish; (2) issue about re-use of existing security bars due to damage caused by the preparation of VPS panel installation; the contractor will prepare change order for new bars for both Linsley & Firmona sites; (3) existing chain link fence at Firmona will be replaced with wrought iron fence & gate due to vandalism. All the above changes will be reflected on change order no. 2; new completion is established on June 13, 2008.

3rd West Knoll and Palm ADA Bathroom Replacement Tracker #: TP001933	AZ Home Inc.	\$286,875	\$298,590	4%	\$139,648	47%	Contractor: AZ Home Inc. Completion date June 4.
4th Carmelitos Burr Units (2) Tracker #: TP002450	DMS Construction, Inc.	\$52,862	\$58,564	11%	\$0	0%	Risers installed at both units on 4/21 FINAL Inspection of both units 5/01.

1 <sup>st</sup> /4th Carmelitos Sr & Francisquito Villa Flooring Replac Tracker #: TP002341	CONTINENTAL FLOORING CO	\$599,418	\$599,418	0%	\$128,456	21%	Carmelitos: about 80% complete. Final inspections on completed units are continuing. The handicap units which have been left to be completed at the end of the project will be started in about 2 weeks.
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Francisquito: Before the start of construction, a meeting will be held at Francisquito to determine set up and work schedule.  
 Carmelitos: Completion of this site is expected by late April.

Francisquito: The preconstruction & scheduling mtg for this site occurred on May 1, 2008 and construction is expected to start by the second week of May.

5th Quartz Hill Site Improvements Tracker #: TP002649	ANM Construction & Engineering	\$44,523	\$44,523	0%	\$44,523	100%	Substantial completion inspection conducted 5/15 w/project team & ANM. 2 items identified as needing repairs. ANM invoiced for payment 5/14. Payment to be Made June 6 or 13th. Parking lot and landscape work to finish in June 2008. Fencing to be completed in December 2008.
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All Distr. Carmelitos Gas Lines Phase III	M.L. CONSTRUCTION	\$1,205,123	\$1,325,813	10%	\$1,173,775	89%	Phase III (176 units). Completed buildings 29, through 50 for a total of 151 units. Working buildings 57 & 58 for a total of 15 units to be complete by the end of May. Working laundry rooms (82 units) drywall repairs. Completed 42 laundries.
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Tracker #: TP002548

All Distr. CPTED Fencing & Gate Improvements Bobco Metals		\$366,248	\$366,248	0%	\$59,030	16%	The Normandie site is complete except for some touch up items. The El Segundo sites are next. Normandie sites will be touched up by the end of the week April 28, 2008.
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Tracker #: TP002414



**Housing Authority - County of Los Angeles**

May 16, 2008

*FOR YOUR INFORMATION ONLY*

To: Each Supervisor  
From: Carlos Jackson, Executive Director



**SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8 PROGRAM**

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On March 13, 2007, your Board instructed me to report monthly on our progress to remove the Section 8 program from its Troubled status under Section 8 Management Assessment Program (SEMAP). This report covers the period between April 17, 2008 and May 14, 2008, and provides information on the following:

- Current SEMAP status
- Lease-up
- Annual Re-Examinations
- Inspections
- Corrective Action Plan
- Socialserve.com
- Call Center
- The HUD OIG Audit Report
- The Confirmatory Review
- YARDI Status Update

**Current SEMAP Status**

Based on the lease-up, annual re-examinations, and inspections progress listed below, we anticipate a score of 120 points, standard rating, for FY 2008. This is an improvement from 90 points, standard rating, earned for FY 2007.

**Lease-up**

As of May 1, 2008, our lease-up rate was 96.1%, representing a total of 19,994 assisted families throughout the County. HACoLA has begun processing applications that were placed on hold in January to avoid negative financial repercussions, and will begin pulling names from our waiting list on July 1, 2008 to reach a lease-up rate as close to 100% as possible, with the goal of securing increased funding for 2009.

**Annual Re-examinations and Inspections**

We are currently at a 0% delinquency rate for our annual re-examinations, and at a 2% delinquency rate for our inspections.

**Corrective Action Plan**

As previously reported to you on March 21, 2008, the Los Angeles area HUD office cannot issue a formal response on the Corrective Action Plan until all Board members have completed their training. To date, two members are pending completion of the training.

Each Supervisor  
May 16, 2008  
Page Two

**Socialserve.com**

Socialserve.com continues to increase the participation of both tenants and landlords. For a 28-day period between April 16 and May 14, 2008, Socialserve.com averaged 4,628 total listings, 3,186 participating landlords, and 118,803 housing searches.

**Call Center**

Our Call Center has also shown an increase in participation, averaging approximately 4,389 calls per week (a 4% increase over last month), with an actual total of 17,555 for the period between April 16, 2008 and May 14, 2008. For your information, the average wait time for the stated period was 1 minute, 48 seconds.

**The HUD OIG Audit**

We submitted our formal response to the HUD OIG audit on March 22. We are awaiting their response, which must be completed by June 8, 2008.

A candidate has been selected for the Division Director position after a national recruitment process. Our current Acting Director, Margarita Lares, has been selected to serve as the new Director for the Assisted Housing Division.

**Confirmatory Review**

HACoLA is waiting for HUD to schedule a closing date for the confirmatory review of our SEMAP certification for fiscal year ending 06-07.

**YARDI Status**

On March 24, 2008, I approved a recommendation made by the YARDI project management team to extend the YARDI "go-live" date to July 1, 2008. We remain on track for the deadline.

Please contact me if you have any questions or need additional information.

c: William T Fujioka, Chief Executive Officer  
Lari Sheehan, Deputy Chief Executive Officer  
Sachi A. Hamai, Executive Officer/Clerk of the Board of Supervisors  
Los Angeles County Housing Commissioners  
Each Deputy



**Carlos Jackson**  
Executive Director

**HOUSING AUTHORITY  
of the County of Los Angeles**

ASSISTED HOUSING DIVISION

12131 Telegraph Road • Santa Fe Springs, CA 90670  
Tel: 562.347.4663 • TDD: 562.906.4928 • [www.hacola.org](http://www.hacola.org)



**Gloria Molina**  
**Yvonne Brathwaite Burke**  
**Zev Yaroslavsky**  
**Don Knabe**  
**Michael D. Antonovich**  
Commissioners

May 15, 2008

**FOR YOUR INFORMATION ONLY**

Ms. KJ Brockington, Director  
Office of Public Housing  
U.S. Department of Housing  
And Urban Development  
Los Angeles Field Office, Region IX  
611 West 6<sup>th</sup> Street, Suite 1040  
Los Angeles, CA 90017-3101

**SUBJECT: THE FAMILY SELF-SUFFICIENCY (FSS) PROGRAM**

Dear Ms. Brockington:

The Family Self-Sufficiency (FSS) Program is a HUD initiative intended to promote the development of local strategies to enable families both in public housing and the Housing Choice Voucher Program to achieve economic independence and self-sufficiency.

This report has previously been provided to the Housing Authority of the County of Los Angeles Housing Commissioners on a monthly basis. This report is now being provided to the HUD local field office and the Los Angeles County Board of supervisors to keep all concerned parties abreast of the continuous efforts and accomplishments associated with this worthwhile program as part of the Corrective Action Plan.

**FSS Program Update for April**

- The Family Self Sufficiency staff continued its ongoing recruitment efforts, with a total of 63 new applicants, 60 of whom were eligible for the Family Self Sufficiency Program.
- Staff enrolled 43 new participants.
- Received 11 requests to graduate from the Family Self Sufficiency program.
- Staff conducted 4 recruitment workshops for interested families.
- Staff Scheduled 1 "Credit Repair", FDIC informational workshop/training, sending 60 invitations to interested participants.



- Staff assisted participants in internet access, computer job search, and CalJOBS registration.
- Resource information on the WorkSource Network, Volunteer Income Tax Assistance Program, FSS workshops, Adult Education, Healthy Families Insurance program,
- California Low Cost Auto Insurance Program, Scholarship programs and Job Fair information were disseminated during recruitment and case management activities.
- Staff referred 43 FSS applicants to WorkSource Centers resource for job search assistance and 3 FSS participant for job search and resume writing and review assistance.
- Issued 3 Credit Repair packets to FSS applicant and 2 packets to existing FSS participant during the month of April.
- Issued 3 Budgeting informational packets to FSS participants.
- Communicated with and assisted over 400 FSS participants and applicants with general Housing Choice Voucher questions, FSS Program queries, issues and supportive services information.
- Resource information for employment opportunities, budgeting, money saving tips and homeownership workshops were disseminated to 87 FSS participants and applicants during April appointments.
- Referred 1 Section 8 tenant to Operation Hope Home Ownership Program per the tenant's request.
- Referred 8 FSS participant to the CDC Home Ownership Program (HOP) per the tenant's request.
- The FSS Program staff conducted one graduation ceremony, graduating 10 successful participants before an audience of family members, guests and Assisted Housing Staff. A second, individual graduation was also conducted.
- During the month of April, \$64,346.47 in Family Self Sufficiency escrow funds was disbursed to successful graduates.

## **Housing Affairs Letter Stories posted week of 4/12/08 - 4/18/08**

### **Heard at HUD**

#### **Jackson Departs With Tributes**

Top HUD executives joined Secy. of State Condoleezza Rice, Education Secy. Margaret Spellings, Labor Secy. Elaine Chao and Mississippi Gov. Haley Barbour (R) to give HUD Secy. Alphonso Jackson a grand sendoff April 16. They attended a reception in the 10<sup>th</sup> Floor Executive Suites before heading to the new \$7 million as-yet-unfinished cafeteria/auditorium, where HUD rank-and-file employees waited.

Sources tell *HAL* the occasion was somewhat muted because Jackson is departing under a legal cloud. He was essentially forced to resign by long-time friend President Bush because his liabilities were fast becoming a drag on administration efforts to work with Congress on a rescue of the housing market.

04/18/2008 11:44 AM

#### **Portraits A HUD Embarrassment**

Five oil portraits of former HUD secretaries and departing Secy. Alphonso Jackson, which *HAL* began describing last summer when the job was advertised on an obscure government Web site, have become a thorny issue for department officials caught in a nationwide publicity squeeze. The \$100,000 portraits remain stashed in a closet.

Originally, the Connecticut artist who won the bid—offering to paint the likenesses of Jackson, Andrew Cuomo, Henry Cisneros, Jack Kemp and Mel Martinez for \$20,000, a considerable discount from the \$50,000 going rate for a single portrait—was rushed because Jackson wanted the hangings to coincide with the opening of the \$7 million cafeteria/auditorium (cafetorium) in December 2007.

Jackson subsequently became involved in a four-pronged investigation into his official activities while the cafetorium construction schedule fell behind and increased in cost. Construction continues with the addition of several high-tech items including wide-screen television sets.

The portraits would adorn the cafetorium walls, with the former Cabinet officers gazing down on diners and visitors. The planned gala featuring all the secretaries apparently has been scrapped because of growing criticism over Jackson's spending on the portraits and cafetorium at a time HUD was cutting deeply into housing-program spending and coordinating the decimation of public housing.

04/18/2008 11:47 AM

## HUD

### SBA Chief Named HUD Secretary Nod

Small Business Admin. (SBA) chief Steve Preston is named by President Bush to succeed Alphonso Jackson as HUD Secretary. Jackson departs today under a cloud of criminal investigations and the White House apparently wanted a nominee likely to be confirmed by the Senate Banking Committee for the remaining nine months of the administration.

Deputy Secy. Roy Bernardi steps in as acting secretary on Jackson's departure and will remain so until Preston is confirmed. The administration reportedly wants Bernardi to remain as HUD's day-to-day operations chief. But sources say Bush likely took advice from his long-time friend Jackson as to a successor and ruled out Bernardi, who had been on a short list for the job. Relations between Bernardi and Jackson have been strained over the FBI, Justice Dept., HUD IG and federal grand jury probe of Jackson's activities.

Preston has been SBA administrator since July 2006 and is credited with revamping the agency's Disaster Assistance Program in the wake of Hurricane Katrina. He was executive vice president of the ServiceMaster Co. before his SBA appointment and had been a senior executive with First Data Corp. and investment giant Lehman Brothers, making him a choice candidate with intimate knowledge of financial markets to steer HUD through the mortgage debacle.

04/18/2008 10:32 AM

### Sec. 8 Wait List First Time In 10 Years

Illinois: Chicago Housing Authority's (CHA) Sec. 8 program opens its waiting list for the first time in a decade and at least 200,000 hopefuls are expected to sign up before the list is closed May 15. A lottery then will determine the 40,000 applicants who will win a slot on the list. CHA has set up 320 sites citywide for applicants to complete the forms, including public libraries, public colleges and in all 50 offices of the city's aldermen.

Hispanics—Chicago has a large population of Mexican and Central American immigrants—are expected to make up a large share of the applicants, Latinos United advocates tell city officials. Many have been hit with foreclosures and an increase in unemployment. City income guidelines limit earnings to \$26,400 for individuals, \$37,700 for a family of four and \$50,000 for a family of eight.

04/18/2008 11:52 AM

## Bobbette Glover

**From:** Natalia Macias  
**Sent:** Friday, April 18, 2008 2:02 PM  
**To:** Bill Huang; Bobbette Glover; Carlos Jackson; Corde Carrillo; Elisa Vasquez; Linda Alexander; Lynna Ochoa; Marcie Miranda; Margarita Lares Herrera; Maria Badrakhan; Richard Martinez; Yui Cheng  
**Cc:** IGR/PI  
**Subject:** FW: NAHRO's CD Edge - April 18, 2008



### NAHRO's Homepage

#### **Recent HUD Notices and Requests:**

Announcement of Funding Awards for the Housing Counseling Program for Fiscal Year 2007 (April 2, 2008): This announcement notifies the public of funding decisions made by the Department in a SuperNOFA competition for funding of HUD-approved counseling agencies to provide counseling services.

Section 3 Complaint Processing Functions (March 20, 2008): This notice announces a change in the investigation of complaints filed pursuant to Section 3 of the Housing and Urban Development Act of 1968.

Notice of HUD's Fiscal Year (FY) 2008 Notice of Funding Availability (NOFA): Policy Requirements and General Section to HUD's FY2008 NOFAs for Discretionary Programs (March 19,

**April 18, 2008**

Welcome to NAHRO's CD Edge, our free e-newsletter focused on federal community development programs.

Please feel free to forward this newsletter to your colleagues. If you're not already subscribed to NAHRO's CD Edge, click [here](#) to subscribe.

#### **In This Issue:**

NAHRO Unveils Innovative Partnership with Home Depot, Gifts in Kind  
CDBG, HOME Community Funding Reports Available to NAHRO Members  
NAHRO Chosen to Receive Major HOME Technical Assistance Award  
HUD Provides IDIS Modernization Update  
NAHRO to Host April 25 HOME Workshop on Foreclosure Intervention  
Senate Foreclosure Bill Includes Emergency CDBG Funding  
HUD Official on ADDI: Program "has run its course"  
HUD Posts New HOMEfires on Section 203(b) Limits

### **NAHRO Unveils Innovative Partnership with Home Depot, Gifts in Kind**

During NAHRO's recent Legislative Conference, Gifts In Kind International and Home Depot announced the launch of the Store Community Product Donation program. Through this new initiative, Home Depot stores throughout the country will be matched with charities in the local community. NAHRO members will then be able to

2008): This notice provides prospective applicants for HUD competitive funding with the opportunity to become familiar with the General Section of HUD's FY2008 NOFAs, in advance of publication of any FY2008 NOFAs.

Federal Register Daily Digest (NAHRO Members): Last 30 days of Housing and Community Development issues published in the *Federal Register*.

#### **NAHRO Resources:**

**NAHRO's 2008 Legislative and Regulatory Agenda:** A comprehensive overview of NAHRO's current legislative and regulatory positions.

**NAHRO's FY 2009 Community Funding Reports (NAHRO Members Only):** These reports are based on the President's budget request and provide estimates of FY 2009 formula grant allocations for all CDBG and HOME entitlement communities and state programs.

#### **NAHRO Staff:**

**Saul Ramirez**, Executive Director  
**Bill Maher**, General Counsel/Senior Legislative and Regulatory Policy Advisor  
**John Bohm**, Director of Congressional Relations, Public Affairs and Field Operations  
**Jeff Falcusan**, Policy Advisor – Housing & Community Development

pick up a wide variety of donated products and building supplies from partner stores on a weekly basis.

The items available for donation may include building supplies and materials, plumbing products and assorted household and cleaning items. Specific items, including quantity, type and/or assortment cannot be guaranteed. While the available donation quantity will vary from store to store, the program is expected to consist of a donation pick-up of approximately one to three pallets per week. It is important to note that donations are given in "as is" condition with no warranties expressed or implied by Home Depot or Gifts In Kind International.

There are specific criteria that organizations must meet in order to qualify for this program. For more information, read the Eligibility Requirements and complete the Home Depot Store Community Donation Program Application.

**This exciting opportunity is available only to NAHRO members.** For more information on becoming a NAHRO member, click [here](#).

### **CDBG, HOME Community Funding Reports Available to NAHRO Members**

NAHRO's FY 2009 Community Funding Reports are now available. These reports are based on the President's budget request and provide estimates of FY 2009 formula grant allocations for all CDBG grantees and HOME Participating Jurisdictions. **The reports are available only to NAHRO members.**

To access FY 2009 Community Funding Report for the CDBG program click [here](#) (PDF). For the HOME program, click [here](#) (PDF).

### **NAHRO Chosen to Receive Major HOME Technical Assistance Award**

General Deputy Assistant Secretary for Community Planning and Development Nelson Bregón visited NAHRO's Board of Governors on March 31 to announce that NAHRO will receive nearly \$1 million in HOME technical assistance (TA) funding as a result of the FY 2007 SuperNOFA process.

The successful application represents the first time NAHRO has applied on its own for HOME TA funding. Previously, NAHRO was one of several national community development public interest groups that operated jointly as the National Affordable Housing Training Institute, a nonprofit umbrella organization that traditionally submitted a single application for HOME TA funding.

This new award in excess of \$990,000 positions NAHRO to become one of the premier national providers of HOME TA products focused



## **Housing Affairs Letter Stories posted week of 4/19/08 - 4/25/08**

### **Affordable Housing**

#### **Sec. 8 Deluge Crashes Computers**

Illinois: Chicago Housing Authority's (CHA) computers couldn't handle the number of applicants for the 40,000 slots on its Sec. 8 housing voucher waiting list, the first time it has been open since 1998. The computer system crashed under the weight of 246,000 applicants, enough to create a waiting list for years to come (*see story, "Sec. 8 Wait List First Time In 10 Years"*).

Officials blame the deluge on the rapidly increasing cost of rental housing and the transition of affordable housing units to the market-rate sector, following landlord reluctance to depend on the timeliness of HUD Sec. 8 project-based subsidies.

CHA had set up 320 sites for applicants to fill out forms. Applicants must submit the forms to CHA during the next four weeks. The form enters hopefuls in a lottery where 40,000 names will be selected and added to the wait list

04/25/2008 12:10 PM

### **HUD**

#### **Housing To Remain HUD Orphan**

Incoming HUD Secy. Steven Preston reaches out to major housing advocates the day he's named to succeed Alphonso Jackson, but the outlook for a resolution of housing issues, particularly the financial crunch in public housing, remains dim under a Preston reign, if he even is confirmed by the Senate Banking Committee.

President Bush in no uncertain terms brings Preston to HUD to focus on restoration of the housing market and easing of the financial crunch at the Federal Housing Admin. (FHA) while struggling to overcome missteps by Assistant Secy. for Housing/FHA Commissioner Brian Montgomery, who ascended to the position after serving as Cabinet Secretary—having no knowledge of the intricacies of the new job and lacking the persona to work with Congress on FHA reform.

Preston, whose background is grounded in finance, has a working knowledge of how Wall Street works and manipulates issues. He likely will focus on those strengths and leave housing to Deputy Secy. Roy Bernardi, who will continue to run all of HUD's day-to-day operations. Bernardi will have to rely on Paula Blunt, acting assistant secretary for Public & Indian Housing, but Blunt, as a career employee, lacks the political clout to get the attention her division needs. Unless Bernardi prods Preston for an appointment of a knowledgeable assistant for public and assisted housing, the division will continue to

take a backseat in the present administration.

There is no certainty Preston will be confirmed. But Bush chose a nominee already having been fully vetted by Congress for his Small Business Admin. position. Unless Banking Committee Chairman Christopher Dodd (D-CT) decides to put the nomination on hold indefinitely, Preston could get the nod before the Memorial Day recess.

Congress wants someone in the position who can give clear answers and provide substantive ideas for housing market restoration and reform. Preston sent an illuminating signal of his broader concerns in his get-acquainted phone calls April 18—the day of his nomination—to the Nat'l Assn. of Housing & Redevelopment Officials, Public Housing Authorities Directors Assn., and the Council of Large Public Housing Authorities.

04/21/2008 4:07 PM

### **Lead Paint**

#### **Lead Paint Case To Be Webcast**

Rhode Island: The state Supreme Court will put its arguments over whether a landmark 2006 jury verdict in a lead paint nuisance case should stand on a Webcast because of the national scope of the case. Since the jury decided former lead paint manufacturers should be liable for the lead paint they manufactured, several states and communities have followed with similar lawsuits claiming lead paint is a public nuisance.

The May 15 arguments and resulting opinion could determine if Sherwin-Williams Co. NL Industries Inc. and Millennium Holdings should be required to clean lead paint contamination from about 240,000 older homes in the state at an estimated cost of more than \$2 billion.

04/25/2008 12:04 PM

### **Public Housing**

#### **Guns Trigger New Asset Mgmt. Bill**

After approving a public housing asset management bill, HR 3521, House Financial Services Committee leaders decide to pull it and write a new bill to avoid dickering with gun advocates. The measure, the proposed Public Housing Asset Management Improvement Act, made it to the House floor where it was sent back to committee at the request of freshman Rep. Michelle Bachmann R-MN). She insists public housing tenants should be able to own guns.

Fearing a siege by the Nat'l Rifle Assn. and other gun ownership lobbies in a crucial election year, lawmakers decide to redesign the bill. The result: The proposed Asset Management Implementation Act, HR 5829, authored by Rep. Albio Sires (D-NJ). Sires

was designated to shepherd the measure through the House because of the number of public housing units in his district.

HR 5829 contains language regarding gun ownership protection that is nearly identical to the amendment Bachmann proposed on the floor. The new provisions say HUD cannot accept management or related fees used to enforce lease agreements requiring registration or prohibiting firearm possession by individuals for their protection, for sport, and in instances where registration is not required by law. It adds new provisions, which would resurrect the Public Housing Drug Elimination Program and make the community service requirement optional on the part of local public housing agencies (PHAs). The drug program was eliminated by the Bush administration in 2002 as an unnecessary \$300 million a year expense and PHAs were told to pay for it out of dwindling operation subsidies if they wanted to retain it.

HR 5829 retains all of the elements of the previous measure, including small PHA exemption from asset management provisions for those with 500 units or less; a provision permitting use of capital subsidies for operational expenses if necessary; a provision requiring negotiated rulemaking in 2009 to set management fees with final fee implementation required by 2011, and provisions requiring resident involvement in conversion to asset management.

Financial Services Committee consideration of HR 5829 may begin as early as next Wednesday, April 30, following debate on foreclosure legislation.

04/25/2008 12:15 PM

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<b>Senior Housing</b>
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#### Demo Program For Elderly Housing

HUD wants to determine the feasibility of providing assistance for intergenerational dwelling units by creating a demonstration program connected with the supportive housing program under Sec. 202 of the 1959 Housing Act. The demonstration's thrust is to determine if it is practical to create such housing for grandparents or relative heads of households 62 years of age or older who are raising children.

Children in question would be no older than 18 unless attending school, when the age limit would rise to 19. There is \$3.96 million available for developing such housing. It will be awarded in two parts: capital advance funding and project rental assistance contract funding. The program is limited to private nonprofit owners of Sec. 202 projects and applications are due by July 2.

**Info:** [www.cdpublications.com/docs/5838](http://www.cdpublications.com/docs/5838)

04/25/2008 12:29 PM

## **Senior Housing**

### **Demo Program For Elderly Housing**

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**Info:** [www.cdpublications.com/docs/5838](http://www.cdpublications.com/docs/5838)

04/25/2008 12:29 PM

### Tax Credit for Home Buyers

The bill also includes a tax credit of up to \$7,500 for first-time home buyers. The credit would be limited to home purchases after April 8, 2008, and before April 1, 2009.

The amount of the available credit would be phased out for home buyers with modified adjusted gross incomes between \$70,000 and \$90,000 (\$140,000 and \$160,000 for joint returns).

A home buyer would not qualify for a tax credit if the mortgage is financed by tax-exempt bonds, the buyer is a nonresident alien, or the buyer sells the house before the end of the taxable year in which the credit would otherwise be allowable.

The credit would have to be repaid without interest over 15 years. If the home is sold before the end of that period, the remaining credit would be due. However, the credit repayment could not exceed the gain on the sale of the home to an unrelated person.

There would be no recapture on the death of a taxpayer, and in the case of an involuntary conversion, recapture wouldn't be accelerated if a new principal residence is acquired within two years.

### Other Provisions

The bill also provides an additional standard deduction of up to \$350 (\$700 for joint returns) for state and local property taxes for taxpayers who don't itemize their deductions.

The legislation would also raise the limit on the space within a nonresidential building that can be leased to a tax-exempt entity and still enable the project to qualify for the historic rehabilitation tax credit.

Currently, tax-exempt entities such as federal or state government agencies can't occupy more than 35 percent of a property. The bill would raise that cap to 50 percent.

The bill also includes real estate investment trust (REIT) provisions, including an increase in the percentage of REIT assets that can be held in securities of taxable REIT subsidiaries from 20 to 25 percent.

### SECTION 8

## HUD Drafts Proposed Voucher Rule To Streamline Program, Help PHAs Cope with Unpredictable Funding

HUD is drafting a proposed Section 8 voucher regulation to streamline the program and help PHAs cope with unpredictable annual funding levels, said Danielle Bastarache, HUD voucher program administrator, who spoke at the National Leased Housing Association (NLHA) annual Section 8 voucher conference on April 17.

Bastarache said that PHAs have leased fewer vouchers to stay within the limits of a budget-based allocation formula that has changed several times in recent years.

The current utilization rate is about 92 percent, compared to a more typical 95 to 97 percent rate in years when the allocation formula was more stable, she said.

Bastarache also noted that PHAs have been subject to the additional uncertainty of prorated funding.

The proposed Section 8 program rule has yet to go through departmental clearance, a review at the Office of Management and Budget, and a congressional review, so publication is at least six months off, according to Bastarache.

To compensate for reduced funding, some PHAs have adjusted their payment standards downward. However, under the current rule, a PHA cannot lower the payment standard until a family's second annual reexamination after the effective date of the payment standard. Bastarache said that HUD may allow PHAs to put the new payment standard into effect sooner than the second reexamination.

### Utility Allowances

About 24 percent of tenant rent calculation errors involve utility allowances, so HUD will propose a change in the way the allowances are determined, Bastarache said, adding that the goal is to have a utility allowance that is simple and accurate. One option under study at HUD is the creation of a formula-based utility allowance calculator. PHAs would plug four or five variables into the formula to establish the utility allowance tables. Another approach is to publish regional or area utility rate schedules.

To determine rent reasonableness, the proposed regulation may require a PHA to use comparable rents from a small number of unassisted properties. Another issue is the type of rent reasonableness requirement to be used in rural areas.

HUD is also considering making a family ineligible for the voucher program if it owns residential property or has assets exceeding a threshold level, perhaps \$100,000, Bastarache said. An NLHA member said that the asset limit may be too low for an elderly voucher holder who has applied to an assisted living facility and must use personal assets to pay for supportive services.

Bastarache also said that HUD plans to delete regulatory waiting list and income targeting requirements that are not statutory. HUD has also asked its general counsel if the income target can be applied to vouchers issued rather than to admissions, said Bastarache.

### Time Limits

In a more controversial area, the proposed rule also may address time limits on assistance to non-elderly and non-disabled families, Bastarache said. Another issue is whether a time limit should be tied to the Family Self-Sufficiency (FSS) program. According to the HUD Office of Policy Development and Research, the average length of time in the voucher program is five years.

Bastarache noted that families can now remain in the voucher program indefinitely, until their income rises above the program limits. Setting a time limit on assistance would mean some people would have to leave the program before their income reaches that level, she said.

Some PHA staff members at the conference supported a time limit for families who aren't disabled or elderly. However, one NLHA member recommended an excep-

tion for tenants who can't work because they stay at home to care for a disabled family member. Another PHA staffer said there should be funding for social services in addition to FSS escrow funds to make time limits workable.

Bastarache said that HUD also wants to streamline regulatory requirements for housing quality standards (HQS) and that it plans to rework the HQS inspection form and to address the issue of quality control for HQS inspections. One suggestion from a PHA administrator was for clearer direction on HQS for individual items. He said that landlords have asked for specific direction on what type of repairs must be made after an inspection and suggested that HUD reissue an HQS handbook.

HUD is also considering more flexibility for annual and interim income reexaminations, said Bastarache. The streamlined rule may have fewer requirements for the annual reexamination of families on fixed incomes, she said.

#### AFFORDABLE HOUSING

### Foreclosure Crisis May Create Opportunity to Boost Funding for HUD Programs, Ramirez Says

At the National Association of Housing and Redevelopment Officials (NAHRO) legislative conference, Saul N. Ramirez, NAHRO executive director, said that the rising rate of mortgage foreclosures has created a greater sense of urgency on Capitol Hill that more housing assistance is needed for low-income families, creating an opportunity to shore up funding for public housing and other HUD programs.

The NAHRO meeting also heard from Paula O. Blunt, HUD general deputy assistant secretary for public and Indian housing, who said that HUD wants to consult closely with PHAs in implementing asset management and other regulations.

At the opening conference session on March 31, Ramirez said that in discussions with lawmakers, NAHRO must "make the connection" between families who are going through foreclosure and the need for federal funding. Ramirez said there are two categories of homeowners affected by foreclosures: speculators "who thought they were smarter than the system" but who lost, and families who just wanted to own a home.

"There are many working families that were pushed into homeownership with these exotic mortgage products that now have lost their homes and are living the American nightmare," said Ramirez, "and they are coming to our doors looking for affordable housing assistance, looking for housing options."

#### Action in Congress

Ramirez said with the return of Congress from a spring recess, "there is more being said than ever on housing up on the Hill." He said that NAHRO must emphasize the important role that housing agencies play in their communities.

"We have been called the housing of last resort," Ramirez

said. "We are the first responders to housing in our communities and in America. And that's the message we need to take to Washington."

Ramirez displayed charts showing the shortfall in public housing operating subsidy formula funding in recent years. "How can people expect us to do the jobs that we do in public housing when the funds we have now permit only 81 or 82 cents of every dollar that we need?" he said. Ramirez said that the population PHAs must serve continues to grow.

However, he also noted that despite the Bush Administration's proposed budget cuts, total federal funding for public housing increased in fiscal 2007 and 2008 after a period of decline.

"The chart shows that we are having an impact," Ramirez said. "It shows that we are having to go back and refill the bucket that has been gradually emptied by the Administration over the last several years, but we are getting help from Congress."

#### HUD Agenda

In her remarks, Blunt said that HUD will continue implementing asset management for the public housing portfolio, but wants to move ahead in a collaborative fashion. Asset management "is the biggest change in public housing ever," she said, acknowledging that PHAs have had a sense of frustration and unease about the transition to the new project-based management system.

Blunt said that HUD will try to "step back" and take a look at asset management from the PHAs' perspective. "There's enough time to slow down and make sure that we are going to have something that is in the best interest of housing authorities," she said. As an example, HUD staff is reexamining the deadlines for accomplishing certain objectives under asset management, she said.

HUD also plans to publish a proposed rule to streamline public housing regulations which will adopt several recommendations from working groups that participated in the administrative reform initiative last year, Blunt said.

In addition, a proposed rule revising the public housing assessment system (PHAS) is currently under review at the Office of Management and Budget (OMB), and Blunt said HUD is also planning to issue a new Section 8 management assessment program (SEMAP) rule and streamline the Section 8 voucher regulations. (*For a related report on a notice discussing the PHAS rule, see p. 242.*)

Blunt also asked PHAs in the Moving-to-Work (MTW) program to sign the new standard contract which extends their participation. The new contract is necessary to comply with reporting requirements which Congress has mandated so that MTW can be evaluated, she said. Blunt said that PHAs will still have the same flexibility as under their old contract.

Blunt also said that HUD will soon begin two large research studies, a rent and income study to inform future discussions about rent simplification and a public housing capital needs study to determine the backlog of modernization needs.

conomic effect under Section 1.704-1(b)(2)(ii), and the credits must be allocated in accordance with the partners' interest in the partnership.

If a partnership expenditure that gives rise to a tax credit also results in a valid allocation of partnership loss or deduction for the same taxable year, the advisory says, the partners' interests in the partnership regarding the credit are in the same proportion as their respective distributive shares of the loss or deduction.

Accordingly, the advisory concludes, the credit allocations must follow the special allocations of depreciation when the latter differ from the general allocations specified in the operating agreement.

#### PROGRAM ADMINISTRATION

### Washington State Allows Use of Internet to Advertise Low-Income, Special Needs Unit Vacancies

The Washington State Housing Finance Commission (WSHFC) is allowing low-income housing tax credit projects to use the Internet to satisfy a requirement to advertise the availability of units set aside for low-income and special needs tenants.

In general, WSHFC requires owners to certify annually that they have made reasonable attempts to rent special needs set-aside units that become vacant or a next available unit of comparable size to special needs tenants.

The commission's tax credit compliance manual states that owners must actively market a vacant special needs unit or a next available unit for at least 30 days after a unit is ready to be reoccupied to demonstrate a good-faith effort to rent the unit to a special needs tenant.

Except for homeless or senior housing units, owners are free after 30 days to rent special needs units to a household that doesn't meet eligibility criteria as long as they follow the next available unit rule.

#### Advertising Requirement

Previously, the compliance manual stated that in addition to notifying the relevant public housing authority, at least two area community agencies, and each local non-profit group with which they have a referral and marketing agreement, owners also must notify the general public of vacant low-income and special needs units by advertising in general circulation newspapers in the area.

Under a policy change announced March 10, owners must use general circulation advertisements to notify the general public about the availability of vacant units.

The change, according to WSHFC, gives owners leeway to use the Internet because it no longer specifically requires the use of printed marketing materials or newspaper advertisements.

Although the commission has revised its compliance manual to reflect the new policy, the revised language won't appear on annual tax credit compliance and certification reports until the 2009 version, the commission said.

#### HISTORIC PRESERVATION

### Rhode Island Law Ends Applications For State Rehabilitation Tax Credit

Rhode Island Gov. Donald L. Carcieri (R) signed legislation (H. 8016 A) on April 12 which effectively ends new applications for the state's historic rehabilitation tax credit, reduces the credit value for unfinished projects, and creates a trust fund to pay for existing allocations.

Under the legislation, which went into effect immediately, the state will continue to allow the credit for certified historic structures meeting federal rehabilitation standards whose individual or corporate owners applied for the credit before January 1, 2008.

In addition, the law reduces the value of the credit, which can offset up to 100 percent of state tax liabilities, for projects that weren't placed in service by December 31, 2007.

Projects placed in service before January 1, 2008, receive a credit equal to 30 percent of qualified rehabilitation expenditures, while historical structures or portions of buildings placed in service on or after that date receive a credit worth 25, 26, or 27 percent of qualified rehabilitation costs, at the owner's option.

#### Processing Fees

Moreover, credit recipients with structures placed in service after December 31, 2007, must pay a processing fee and enter into a contract with the state which guarantees delivery of the credits. The amount of credits is the lesser of the tax credit amount listed in the contract or the actual qualified rehabilitation expenditures multiplied by the credit percentage selected by a taxpayer by May 15, 2008, and any processing fees.

The processing fee depends on the tax credit percentage. The fee is 3 percent of qualified rehabilitation expenditures if owners elect to receive a credit worth 25 percent of rehabilitation costs, 4 percent for credits equal to 26 percent, and 5 percent for credits equal to 27 percent. Projects placed in service between July 31, 2005, and December 31, 2007, that qualify for the 30 percent credit must pay a 2.25 percent fee.

At final certification, if the fee is more than the value of the tax credit, the state will refund the difference.

Additionally, the legislation creates a trust fund outside of the state general fund to pay for existing credit reservations. The state controller must transfer from the trust fund to the state treasury amounts equal to the credits taken by taxpayers.

#### ECONOMIC DEVELOPMENT

### New Jersey Adopts Tax Credit for Investments Near Rail Stations

New Jersey has enacted legislation which provides a tax credit to companies investing in projects near most rail stations.

S.B. 3043 (P.L. 2007 Chapter 346) provides a 10-year tax credit to companies against their corporation busi-

## **City Voice: Yaroslavsky takes on developers in push for affordable housing**

By Bill Boyarsky

In defending middle-class neighborhoods, Los Angeles County Supervisor Zev Yaroslavsky is taking on an issue that reaches to the heart of Los Angeles' ethnic, political and class divide.

All those matters are involved in a dispute over a new city development ordinance that eases restrictions on big residential buildings in such areas. This ordinance was passed to meet the requirements of a 2005 state law ordering cities to allow more dense development to create housing.

The question of preserving middle-class neighborhoods while also building affordable housing affects a huge part of Los Angeles, from the dense and impoverished Latino neighborhoods of Central Los Angeles to middle-class Jewish areas in West Los Angeles and the western San Fernando Valley. It includes the Jewish neighborhoods of Fairfax and Pico-Robertson as well as multiethnic Venice, long targeted for heavy development.

Yaroslavsky, once a Los Angeles city councilman, surrendered his role in city affairs when he was elected to the Los Angeles County Board of Supervisors in 1994. As a council member, he had been co-author of a successful ballot measure that scaled back development in residential areas. The measure, Proposition U, co-sponsored by the late Councilman Marvin Braude and passed in 1986, was a successful effort to outmaneuver the land developers and their lobbyists who, then as now, have huge clout at City Hall. The measure reduced density by limiting the size of many business and residential projects. Supervisors don't have power over development within cities, so Yaroslavsky's election to the Los Angeles County Board of Supervisors should have taken him out of the game.

But in 2005, the Legislature passed and the governor signed the measure designed to stimulate housing construction. It did this by telling cities to put aside zoning and other planning limitations if developers agree to include some low- and moderate-priced apartments in their projects.

Los Angeles and other cities were required to implement the state law with their own municipal ordinances.

Even though he was a supervisor with no jurisdiction over the matter, Yaroslavsky, a Los Angeles resident who has retained a strong political following in the city, stepped into the negotiations over the proposed implementation ordinance. He persuaded City Council members to modify the proposal. The council and Yaroslavsky agreed on modifications designed to limit teardowns of apartments in residential neighborhoods and other steps to preserve such communities.

With those modifications, the Los Angeles City Council recently passed and the mayor signed the ordinance implementing the state law. Under the ordinance, the city permits a builder to go 35 percent over zoning limits if 11 percent of the units are set aside for low-income residents or 30 percent are moderately priced.

But Yaroslavsky still was not satisfied. He objected to giving developers permission to build larger structures if they include low- and middle-income units. This, he said, was a bonus for developers. "L.A. doesn't need to offer development bonuses allowing taller and bigger buildings" to create more affordable housing, Yaroslavsky wrote in a Sunday Opinion article for the Los Angeles Times. But with the state law and the city ordinance implementing this practice firmly in the books, there doesn't seem much Yaroslavsky can do now, short of starting an initiative campaign.

His entrance into the fight has prompted speculation that he is interested in running for mayor, an office he sought years ago when he was in the council.



CityBeat's Alan Mittelstaedt asked Yaroslavsky about the speculation after the supervisor discussed the development controversy at Emma Schafer's Public Affairs Forum, a monthly gathering of political and government insiders.

"If I were running for mayor, you'd know about it," Yaroslavsky said. "Most of the talk about me running for mayor has been emanating out of City Hall from people who are trying to marginalize some of these policy issues by reducing them to political tiffs when, in fact, they're substantive policy issues. I'm not going to keep my mouth shut when I see my neighborhood affected by what the city does. And as a former city councilmember, I'm not going to sit back quietly and watch 20 years of my work product dismantled without a fight. This has nothing to do with running for office."

Advocates of more affordable housing say the state and city laws are needed by neighborhoods such as Pico-Union and MacArthur Park just west of downtown Los Angeles, where Latino immigrants, some here illegally, crowd into old apartments and live in incredibly bad conditions. Those walking from Langer's parking lot to the restaurant for a pastrami sandwich may not know they are passing through one of America's most densely packed slums.

These same advocates say the council's decision to ease development restrictions will make affordable housing available throughout the city. Some Pico-Union and MacArthur Park residents could then afford to move westward or into the San Fernando Valley.

This possibility complicates the dispute, however, bringing in issues of race and class.

Although the demographics of parts of Los Angeles, such as the San Fernando Valley, are changing, much of Los Angeles remains segregated by race and income. Building low-income units in West Los Angeles and the West Valley would change the pattern. Poor Latino immigrants could move into Fairfax and Pico-Robertson.

The politically correct news media and political community do not mention this aspect of the dispute, but it's important.

But it is also important to consider the desires of middle-class L.A. residents to preserve neighborhoods that are part of the fabric of Los Angeles.

This dispute will be a big factor the city election in 2009 when Mayor Antonio Villaraigosa is expected to seek a second term. Right now the mayor is playing both sides of the issue.

He favors more housing construction, especially of the affordable kind. He's developer friendly, approving of the commercial and residential units that were going up around the city at a brisk rate before the credit crisis slowed construction.

But Villaraigosa has also become an advocate for neighborhoods and has worked hard to strengthen his ties with Jewish communities around the city.

I would be surprised if Yaroslavsky runs against him. He can remain supervisor until 2014 when term limits force him out. Supervisors run virtually unopposed. Why give up a low-stress job for the heat of the mayor's office?

But Villaraigosa, even without strong opposition, will have to contend in his re-election campaign with the powerful forces shaping the dispute over neighborhoods and development.

## **Housing Affairs Letter Stories posted week of 4/26/08 - 5/2/08**

### **Affordable Housing**

#### **County Tackles Workforce Housing**

Washington state: King County, which encompasses Seattle, takes aim at affordable workforce housing by doubling the authority of its Credit Enhancement Program from \$100 million to \$200 million to help develop or preserve up to 800 affordable units in up to 10 housing developments. The program partners the county with developers who already are building housing to ensure that low-income residents have an opportunity for housing near where the work.

The program was initiated in 1997 to help develop housing through contingent loan agreements that reduce the costs of financing. In exchange, a developer/owner agrees to provide long-term affordable units within a project. The program is supported by the King County Housing Opportunity Fund and is administered by the Department of Community & Human Services.

05/02/2008 12:17 PM

### **Public Housing**

#### **New Rules For Public Housing Tenants**

Illinois: A new rule in an overall plan to restructure how Chicago Housing Authority (CHA) residents live, work and participate in their communities gives CHA the authority to set term limits on how long tenants can live in public housing. But CHA officials say they have no plans to impose such limits at this time.

The new rules largely conform with the mandate in the Quality Housing & Work Responsibility Act of 1998. They require tenants older than 18 to work and abolish tenants' councils in mixed-income communities. Such communities, made up of public, affordable and market-rate housing, are the vanguard of HUD's program to revamp the pre-WWII public housing concept. Tenants refusing to work or attend school would face eviction as early as this fall. The new CHA standard requires 15 hours of work or study a week, increasing to 20 hours a week by 2010.

The plan contract heads to HUD and approval is expected to be pro forma since CHA and HUD negotiated the terms in advance. Meanwhile, CHA keeps the plan details under wraps until officials have an opportunity to fine-tune it.

Opponents contend the work requirements violate state child labor laws meant to protect children and the potential restriction on public housing occupancy would lead to homelessness. The new rules are part of CHA's \$1.6 billion transformation plan

05/02/2008 11:58 AM

## **Senior Housing**

### **Demo Program For Elderly Housing**

HUD wants to determine the feasibility of providing assistance for intergenerational dwelling units by creating a demonstration program connected with the supportive housing program under Sec. 202 of the 1959 Housing Act. The demonstration's thrust is to determine if it is practical to create such housing for grandparents or relative heads of households 62 years of age or older who are raising children.

Children in question would be no older than 18 unless attending school, when the age limit would rise to 19. There is \$3.96 million available for developing such housing. It will be awarded in two parts: capital advance funding and project rental assistance contract funding. The program is limited to private nonprofit owners of Sec. 202 projects and applications are due by July 2.

**Info:** [www.cdpublications.com/docs/5838](http://www.cdpublications.com/docs/5838)

04/25/2008 12:29 PM

## HUD Opposes Asset Management Legislation

If the asset management legislation to be considered by the House Financial Services Committee next week was to reach President Bush's desk, "his senior advisors would recommend he veto the bill." That message was sent last week by HUD Deputy Secretary Roy Bernardi in a letter to the committee's chair, Rep. Barney Frank (D-MA). The "Public Housing Asset Management Improvement Act," was introduced by Rep. Albio Sires (D-NJ) earlier this month and is cosponsored by Frank and Rep. Kendrick Meek (D-FL).

HUD opposes provisions of H.R. 5829 that would make resident community service and work requirements optional, restore the Public Housing Drug Elimination Program, exempt PHAs with fewer than 500 units from asset management requirements, and requirements related to resident and tenant organization participation in asset management implementation.

Further, said Bernardi, eliminating restrictions on the amount of management and related fees that a PHA could charge through January 2011 would "promote program inefficiency, likely reduce funds available to directly assist tenant, and erode effective program oversight and accountability." Provisions of the bill that "giving wide latitude to a PHA's determination and use

*(Continued on p. 6)*

## HUD, PHAs Discuss Ongoing Asset Management Issues

Draft guidance provided to PHAs earlier this month on the phase-in requirements for management fees was the topic of a HUD-convened April 28 conference call among Department staff, PHAs, and industry representatives. Among the issues discussed: ongoing issues related to financial reporting.

A key concern of CLPHA is that the guidance could handcuff PHAs by removing their authority to determine how to phase-in management fees.

First, some background: HUD has required that PHAs adhere to published management and other related fees by 2011. According to PIH Notice 2007-9, issued April 10, 2007, PHAs are not required to comply with the reasonableness requirements for management fees in the first year of project-based budgeting and accounting. Further, PHAs can obtain an additional two-year phase-in of management fees provided:

- ▶ The PHA reasonably documents current fees needed to support operations at the current organizational levels;

*(Continued on p. 2)*

## \* Houston PHA Named 'High Performer' For Housing Choice Voucher Program

The Houston Housing Authority (HHA) has successfully re-positioned its operations to become a HUD-designated "high performer" for its operation of the Section 8 Housing Choice Voucher Program. This is the highest designation HUD awards for operating such programs nationwide.

A major emphasis by the Houston Housing Authority over the last several years was to make the Housing Choice Voucher Program more viable and efficient to those it serves. "Our immediate goal was to restore confidence in the program's integrity, its effectiveness and operational accountability to clients, tax-payers and HUD," said Ernie Etuk, President and CEO of HHA.

The HUD designation "is a testimony of how the organization stayed committed and dedicated to their mission to improve lives by providing quality, affordable housing options and promoting education and economic self-sufficiency," said Timothy Seckinger, chair of the HHA Board of Commissioners. "This is one of my prouder moments for HHA."

HHA achieved its new rating even as it dealt with the aftermath of an influx of new residents to the community because of Hurricanes Katrina and Rita.

HHA implemented several initiatives to help raise the bar to increase

*(Continued on p. 6)*

## HelpWanted...

### Chief Financial Officer

The Housing Authority of the City of El Paso seeks a Chief Financial Officer. Reports to the Executive Director.

The CFO is responsible for planning, directing, monitoring and coordination of financial functions involving accounting, budget administration, treasury management, tenant billing, payroll and financial reporting. The CFO provides professional leadership in economic, financial and investment planning. Assists the Executive Director in determining the Housing Authority's strategic plan and short and long-term financial goals. Oversees the acquisition, accountability and disposal of fixed assets. Prepares reports, grant applications and statistics as required by the United States Department of Housing and Urban Development (HUD.)

**Qualifications:** Bachelor's Degree from an accredited college or university in Business Administration with emphasis in accounting, finance or related field and seven (7) years of progressively responsible experience in accounting of non-profit or government administration including five (5) years in a supervisory capacity; or an equivalent combination of experience and education. Must be a Certified Public Accountant (CPA) or must attain certification within one year of hire. Must possess a valid United States Driver's License; be bondable and eligible for coverage under fleet auto insurance. (Copies of all pertinent educational qualification and any other relevant certification received must be enclosed with the application.) **Starting Salary:** \$100,000.00 (May vary depending on education and experience.) **Deadline:** Open until filled.

Submit Applications to: Human

Resources Dpt., 5300 E. Paisano Dr., El Paso, Texas 79905, or email resume to [jobs@hacep.org](mailto:jobs@hacep.org). Equal Opportunity Employer. Note: Background checks and drug screening test will be conducted. For Applications, visit [www.hacep.org](http://www.hacep.org).

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**Section 8/Rental Housing Administrator.** Work in the beautiful resort city of Virginia Beach, Virginia. Manage all aspects of a 1,900 unit housing choice voucher program and related rental housing programs. Insure high performance on all HUD requirements as well as meet city expectations for performance. Manage staff of 15 and budget of \$14 million as part of a dynamic city department. Experience as an HCV supervisor or administrator is highly preferred. For details and to apply, visit [www.vbcareers4gov.com/](http://www.vbcareers4gov.com/). The deadline for applications is May 16. ■

## Houston PHA

(Continued from p. 1)

efficiency and ensure that clients received quality services. Among those initiatives were intensive re-training of all technical and support staff, realignment of operations, enhanced technology and the use of customer satisfaction instruments to gauge our performance.

"In acknowledging this achievement, we are honored and proud of the work of our many dedicated employees and the meaningful collaborative alliance with the HUD Regional Office whose effort has led to this recognition," said Etuk. "As challenging and daunting as it may be," said Etuk, "it is now important that we view our work through the eyes of the people we serve, particularly those who are truly most vulnerable."

HHA currently assists more than 15,000 families with affordable housing through the Section 8 Housing Choice Voucher Program. ■

## HUD Opposes Asset Management Legislation (Con't from p. 1)

of management fees are directly contrary to the interests of public housing residents" and "direct valuable resources away from the direct operation of public housing projects in favor of central overhead."

The asset management bill is strongly backed by CLPHA and its industry partners. ■

## Asset Management Issues (Con't from p. 2)

ted within 90-days of the end of the fiscal year, or within 90-days of the date that the submission system is made available.

One participant inquired about how PHAs can determine which projects should be reported, and which projects will get scored. Byrne mentioned that in the transition year, PHAs will not be scored on financials, and reiterated that a proposed rule, subject to industry comments, will be published regarding these questions. Byrne said that HUD will be holding training at headquarters once the FDS is finalized.

Byrne said that he will meet with staff, circulate notes from the call with participants, and that he hopes to hold another such call prior to publishing final guidance.

CLPHA will continue to monitor the implementation of asset management and raise concerns as they arise. If any CLPHA members would be interested in participating in future conference calls on asset management, please contact Todd Thomas, Housing Policy Analyst, at [tthomas@clpha.org](mailto:tthomas@clpha.org). ■

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## AFFORDABLE HOUSING FINANCE

### HOUSING POLICY

### NEWS ANALYSIS

## Jackson's Resignation: Opening New Chapter at HUD?

AFFORDABLE HOUSING FINANCE • May 2008

BY ANDRE SHASHATY

A troubled era in the 42-year history of the Department of Housing and Urban Development (HUD) ended when Alphonso Jackson resigned last month as the agency's 13th secretary.

Jackson kept a fairly low public profile for several years after joining the agency as deputy secretary in 2001. After taking over as secretary from Mel Martinez in 2003, he emerged as the lead spokesman for President Bush's two primary housing policy efforts: increasing homeownership, especially for minorities, and ending chronic homelessness.

Jackson began facing allegations of unethical and possibly illegal conduct at about the same time that the number of subprime mortgages in default or foreclosure began to increase, and just as the housing "bubble" began to deflate.

A barrage of questions about Jackson's role in HUD contracting decisions was unleashed in April 2006, when his remarks to a group of business people in Dallas were reported in the *Dallas Business Journal* by Christine Perez.

The newspaper quoted Jackson as saying he had canceled a contract after the contractor said he had a problem with President Bush: "Why should I reward someone who doesn't like the president, so they can use the funds to try to campaign against the president?" Jackson said. "Logic says they don't get the contract. That's the way I believe."

HUD typically awards more than \$1 billion in contracts per year. In 2005, only 25 percent of HUD contract awards were made through full and competitive bidding.

In the aftermath of the story, several members of Congress called for his resignation, and the HUD inspector general (IG) conducted an investigation. The IG reported that two top officials said Jackson had in fact directed senior staff to consider the political affiliation of contractors when awarding contracts. The IG also found that Jackson had personally intervened to block several contract awards to firms run by people who support the Democratic Party.

AFFORDABLE HOUSING FINANCE magazine published a series of articles on the problems with Jackson and with HUD ("The Trouble with HUD and How to Fix It," June and July 2007). The series was recognized with the Jesse H. Neal Award from the American Business Media this year.

Later articles in AFFORDABLE HOUSING FINANCE quoted current and former HUD employees who said it was common practice among mid-level HUD staffers to give contracts without bidding to companies that were run by personal friends or former HUD staffers-

without regard to their qualifications and without competitive bidding.

AFFORDABLE HOUSING FINANCE also reported that both the Government Accountability Office and the IG have issued reports during Jackson's tenure at HUD saying that procurement practices are very poor, that established procedures are not followed, and contractors are not often evaluated.

In its press release announcing his resignation, HUD took a stab at giving Jackson credit for promoting homeownership. It said, "Today, more than 75 million Americans are homeowners, including 3.5 million minority homeowners since 2002."

The press release failed to mention that the rate of homeownership peaked at 69.2 percent in the fourth quarter of 2004 and dropped to 67.8 percent by late last year. In other words, it was very close to the same level as when Jackson took office.

In 2002, Bush announced that he wanted to increase minority homeownership. In that year, Census data showed that African-Americans had a 48 percent rate of homeownership and Hispanics a 47.6 percent rate. In 2007, the rate for blacks declined to 47.2 percent. The rate for Hispanics increased to 49.7 percent.

The HUD press release also gives Jackson credit for overseeing "a national movement to redevelop public housing around the country into better, affordable, and safer mixed-income communities."

It fails to mention that under Jackson's tenure, the Bush administration has proposed several times to terminate funding for the main program used to redevelop public housing into mixed-income housing, the HOPE VI program. Jackson also presided over steep shortfalls in operating subsidies for public housing.

Industry leaders told AFFORDABLE HOUSING FINANCE strong new leadership is needed to get HUD back on track.

"It will take some time for HUD to recover from the damage inflicted by the Bush administration, especially during Jackson's tenure," said Sheila Crowley, president of the National Low Income Housing Coalition. "Vouchers, public housing, project-based Sec. 8, Community Development Block Grants - all have been weakened by the policies and practices under Jackson. One only need look at the abysmal state of low-income housing on the Gulf Coast two and a half years after Katrina to understand the lack of leadership at HUD in recent years."

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## 11 arrested in Section 8 compliance checks

*This story appeared in the Antelope Valley Press  
Friday, May 2, 2008.*

**By VERONICA ROCHA**  
**Valley Press Staff Writer**

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LAKE LOS ANGELES - Residents of 10 of 20 homes searched Wednesday during Section 8 compliance checks will be recommended for termination from the rental subsidy voucher program, sheriff's officials said.

Five children were removed from one of the homes and placed in the supervision of the county Department of Children and Family Services due to living conditions in the home, according to Deputy Robert Ferrell of the Palmdale Sheriff's Station's Community

Oriented Policing Services unit.

"It's pretty serious," he said.

One person was arrested in connection with a felony warrant, he said.

Another 10 people were arrested in connection with misdemeanor offenses, Ferrell said.

Three teams of COPS deputies and three Section 8 investigators searched the Lake Los Angeles homes, Ferrell said.

Deputies plan to return to one home scheduled to be checked because no one was home Wednesday, he said.

vrocha@avpress.com



## **Housing Affairs Letter Stories posted week of 5/3/08 - 5/9/08**

### **HUD Admits It Can't Do The Job**

It's an ironic twist of bureaucratic gobbledygook. HUD insists on one hand that cash-strapped public housing authorities (PHAs) measure up to the department's the fullest expectations and constantly evolving mandates of the transition to asset management and new operating fund formula. On the other hand, HUD pleads with the Office of Management & Budget (OMB) for more money to administer the programs the department admits it now can't monitor.

Buried in its FY 2009 spending justification to OMB—a document normally sanitized by HUD lawyers and spin experts to remove controversial element—is a plethora of department admissions about programs falling apart because of fiscal starvation. But nowhere does HUD plead for restoration of diminished PHA capital and operating funds. Instead HUD cries out for more to hire more people—and give hefty pay raises to present upper level staffers—to maintain a tight rein on PHAs.

At one point in the justification, HUD claims "Lower level of funding will result in delays in financial management activities, inadequate implementation of asset management, and poor PHA performance assessment." In other words, HUD wants more flexibility to deny PHAs the management flexibility conversion to asset management was supposed to guarantee. A \$4 million Harvard study leading to the transition is wrapped around the idea that PHAs should have such flexibility.

The revelations have public housing advocates scratching their heads over why fairness isn't equal in the eyes of HUD officials. "What's good for the goose is good for the gander," says Timothy Kaiser, executive director of the Public Housing Authorities Directors Assn. Kaiser tells *HAL* subsidy cuts during the last six years have left PHAs lacking the capability to maintain their properties to the highest standards demanded by HUD, but the department continues to insist publicly that PHAs do the job without the money and without relaxation of strict mandates and timetables.

HUD apparently doesn't read its own confessions. In another part of the budget justification, department officials contend, "The real reduction in the capital fund, coupled with the reduced proration in the operating fund, had an adverse effect on the PHAs' ability to maintain the physical standards of the properties." OMB holds PHAs to 84 cents on every operational dollar PHAs maintain they need to maintain at least minimum standards. And the capital fund has been cut to the extent PHAs are more than \$20 billion in maintenance arrears.

Without fulfilling the minimum requirement, advocates claim HUD should allow a Public Housing Assessment System (PHAS) handicap, where HUD inspectors make

allowances for some shortcomings because the cash isn't available to fully maintain the properties. But HUD refuses to grant such a handicap. Instead, the department pleads, "Increased responsibility due to implementation of asset management will put a strain on (department) resources. Without adequate budgetary resources, Public & Indian Housing will not be able to perform oversight functions, all of which are essential for the implementation of asset management."

HUD goes so far as to ask OMB for a break on the budget offices' scoring card of administrative spending prowess while failing to grant PHAs the same kind of break. Noting that the FY 2009 budget will be less than FY 2008—PHA operating funds will dip to 81 cents on the dollar—HUD tells OMB to expect a drop in its administrative performance. Essentially, HUD expects a break on its performance scorecard but refuses to pass on the same kind of break to PHAs until funding levels are restored.

05/09/2008 12:13 PM

**dailybulletin.com**

## Local activist pressures county for documents

Will Bigham, Staff Writer

Article Created: 05/04/2008 09:01:05 PM PDT

**CLAREMONT** - An open-government advocate has requested public documents from Los Angeles County administrators, citing concern that a rule change excluding a Claremont project from affordable-housing funds was made improperly.

Richard McKee, a founding member and former president of Californians Aware, believes that the Community Development Commission's decision to disqualify projects within 500 feet of freeways should have been made in an open session by an elected body, rather than by commission staff members.

"I believe this was something that was politically motivated and done behind the scenes, but I want to give the commission a chance to say otherwise," said McKee, a La Verne resident and La Verne Planning Commission member.

McKee's concerns are echoed by many proponents of Claremont's Base Line Road affordable housing project, which effectively died earlier this year after it became ineligible for county funding.

Claremont Mayor Ellen Taylor said she believes the county's decision was made not because of

health concerns, but because of political pressure applied by project opponents to Supervisor Michael Antonovich.

"What they did was they had a county agency make a policy decision, and it is my understanding that it's elected bodies that make the policy changes, not agencies, not staff," Taylor said. "I said it at the time. I'm still concerned about it."

A spokesman for Antonovich did not immediately return a call seeking comment Friday.

In his letter to the county, dated April 29, McKee requested all agendas, back-up materials and minutes to public meetings held to discuss the 500-foot rule.

He also seeks the specific legal authority used by the commission to make the decision on a staff level. McKee said the county may not have the authority to establish strict limitations on affordable-housing funding, because the bulk of the money comes from the federal government and is merely distributed by the county.

Most comprehensively, McKee seeks "all writings ... exchanged between and among (commission) staff and supervisorial offices, providing information and/or seeking input on, objections to, or approval of the 500-foot rule."

By law, the county has 10 business days to respond to McKee's request.

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"All these concerns make it imperative the public be reassured that the creation of this 500-foot rule was not staff's response to the wish of an individual supervisor under political pressure, but rather the result of a properly-noticed (commission) meeting," McKee wrote.

McKee also expressed concern with what he considered an inadequate response from the county to a request for information made by Claremont city officials. The city was told that the executive director of the Community Development Commission had the authority to make such a decision, but the county did not cite any code that said that explicitly, McKee said.

Taylor concurred with McKee's judgment, stating that the county's response "was just a lot of words and not much substance."

Even if more information on the county's decision is forthcoming, Claremont Assistant City Manager Tony Ramos said he doubts the county will change its mind on the 500-foot rule.

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## Housing woefully short for the needy

By Troy Anderson, Staff Writer

Article Last Updated: 05/05/2008 10:32:53 PM PDT

Although 14,000 housing units are needed to end chronic homelessness in Los Angeles County, only about 2,800 are available or will be in the near future, according to a report released Monday.

"Permanent supportive housing development is in full swing, with about 600 new units already open and at least another 2,200 in the pipeline," said Martha R. Burt, author of the report and a principal research associate at the Urban Institute's Center on Labor, Human Services and Population in Washington, D.C.

"New projects appear to be targeting chronically homeless people specifically, which will have the effect of moving more people with serious mental illness into housing."

The report, the "Hilton Foundation Project to End Homelessness for People with Mental Illness in Los Angeles," was prepared at the request of the Hilton Foundation, which gave a five-year grant to the Corporation for Supportive Housing to study and find solutions to long-term homelessness in the county.

Burt cited data from the 2007 homeless count

that estimated the number of homeless people on any given night in the county at 73,700, including 22,400 chronically homeless.

That number was down 17 percent from a count in 2005 that put the number at 88,300.

Of those provided housing, 89percent were single adults and 5percent were families. Sixty-seven percent of the permanent-housing tenants in the county have serious mental illnesses in 2007, compared with 55 percent in 2004.

The report comes more than two years after Los Angeles city and county officials allocated millions of dollars to help the homeless. In March, county officials said the program was helping thousands of people even as a growing number of people were at risk of becoming homeless amid the current economic downturn.

"Obviously, it's a great start," said Bob Erlenbusch, executive director of the Los Angeles Coalition to End Hunger & Homelessness. "But, according to our recent study, homeless people are dying at a rate of one per day in the county.

"So 600 units of affordable housing is great, but compared to one homeless person dying every day and (having) almost 80,000 homeless people on any given night, it's not even close to what we need to do as a community."

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# HDR

# CURRENT DEVELOPMENTS

In Housing, Community Development, Finance and Taxation

## \* Bush Nominates SBA Chief to Head HUD; Some See Policy Opportunities

By Joseph P. Poduska

President Bush announced the nomination of Steven C. Preston, the current administrator of the Small Business Administration (SBA), to be the next HUD secretary, choosing someone with a background in finance and the corporate world to lead the department in the midst of the subprime mortgage foreclosure crisis.

If confirmed by the Senate, Preston would replace Alphonso Jackson, whose resignation became effective April 18. Confirmation could happen fairly quickly as key Democrats have said they need a new HUD secretary in place who can speak for the Administration on issues related to the subprime mortgage crisis.

With just a few months remaining in the Bush Administration, Preston has limited time to influence HUD policy, but officials with several housing organizations identified some potential opportunities where a new secretary could have a positive impact.

### Previous Experience

Preston has headed SBA since June 29, 2006. His business experience includes service as executive vice president at ServiceMaster Company, senior vice president and treasurer of First Data Corporation, and senior vice president in investment banking at Lehman Brothers.

In a statement issued by the White House, Preston was described as "a strong executive with an outstanding track record in the private sector and at the Small Business Administration. President Bush is confident that Administrator Preston is a reformer who will act aggressively to help struggling Americans obtain affordable mortgages and keep their homes, as well as help ensure that all Americans have access to safe, decent, affordable housing."

The Administration credited Preston with streamlining SBA efforts to disburse loans to small business and homeowners along the Gulf Coast devastated by Hurricane Katrina. Preston established a process in which the SBA matched every loan applicant with a case manager, and within months, the backlog of loans fell 80 percent and response times improved by 90 percent, the Administration said. The SBA administers more than \$6 billion

MAY 5, 2008

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## IDEAS AND TRENDS



### ASSISTED HOUSING

## Many Grandparent-Headed Renter Households Have Housing Cost Burden Problem, HUD Report Says

Almost half of all very-low-income grandparent-headed renter households paid more than 50 percent of income for housing, the most serious affordability problem of any household group, according to a HUD report to Congress on intergenerational housing needs.

In the Living Equitably: Grandparents Aiding Children and Youth (LEGACY) Act of 2003, Congress mandated a study to determine the number and affordable housing needs of "covered families," defined as families with a child and a head of household who is not a parent and is either a grandparent or other relative who is raising the child.

An intergenerational family is defined as a covered family with a householder who is 62 or older.

In a related development, HUD is making funds available for a demonstration program on intergenerational housing. (For a related report, see p. 279.)

### Number of Households

The HUD report is based on 2000 census and American Housing Survey (AHS) data. It found that there are 1.6 million grandparent-headed households raising a grandchild who are eligible for assistance under the LEGACY Act.

However, because of data limitations, HUD was unable to accurately determine the number of other households raising children of relatives.

Census data show an additional 1.1 million "other relative-headed households," which include all households with the child of a relative present, but they could also include households where the child's parent is also present as the primary caregiver.

"The numbers shown for this 'other relative-headed household' subcategory are therefore overstated by an unknown amount," the report says.

### Affordability Problems

Focusing on very-low-income renter households, who are the primary beneficiaries of HUD housing assistance, the report found that 52.3 percent of the 310,000 such households headed by grandparents had priority housing problems, meaning they paid more than 50 percent of their income for rent and/or lived in severely inadequate housing, with 48.4 percent having an excessive rent burden.

Among the 164,000 extremely low-income grandparent-headed renter households (incomes up to 30 percent of median), 77.8 percent had priority problems, and 74.8 percent paid more than 50 percent of income for rent.

Of the 280,000 very-low-income renter households headed by another relative, 46.4 percent had priority housing problems, with 43.9 percent paying more than 50 percent of income for rent.

Among the 152,000 extremely low-income other-relative-headed renter households, 61.2 percent had priority problems, with all of them paying more than 50 percent of income for rent.

The report also found that 29.7 percent of the very-low-income grandparent-headed renter households were receiving housing assistance, including 36.2 percent of the extremely low-income households. For other-relative-headed households, the comparable percentages were 28.9 and 41.4.

In addition, 21.2 percent of the 113,000 grandparent-headed renter households and 12.2 percent of the 147,000 other-relative-headed renter households with incomes between 50 and 80 percent of median were receiving assistance.

### Policy Recommendations

The report says HUD's major assisted housing programs could be used to meet the affordable housing needs of covered families by providing additional Section 8 vouchers specifically for such families and by encouraging state and local governments to use their HOME and community development block grant (CDBG) funds to develop new housing units for covered families.

However, the report notes that most of the current HOME and CDBG housing assistance is targeted at families with incomes between 50 and 80 percent of median, rather than very-low-income households.

"Retooling these programs to provide deeper subsidy to intergenerational and other households below 50 percent of area median income would reduce the total number of units that can be assisted (assuming level funding), and thereby reduce the effectiveness of these programs in achieving their other goal of overall neighborhood improvement," the report says.

"While this trade-off must be kept in mind," it adds, "there is nothing in these programs' statutes or regulations that would prohibit their use to provide greater assistance to intergenerational households in communities where the need is identified as particularly great."

The report also points out that use of the Section 202 and Section 811 programs for intergenerational housing "poses challenges" because of the limited number of units with two or more bedrooms.

"To demonstrate the feasibility of using these housing programs to assist intergenerational families, new projects containing two or more bedroom units would have to be developed," it says.

("Intergenerational Housing Needs and HUD Program Options: Report to Congress" is available at [www.huduser.org/whatsnew/whatsnew.html](http://www.huduser.org/whatsnew/whatsnew.html).)

can be managed by linking the ESCO's compensation to the performance of the package of services it delivers.

For self-developed projects, a PHA can purchase insurance to cover its risk, and the cost of the policy is an eligible project cost. For Moving-to-Work (MTW) PHAs, the MTW agreement will deal with performance risk.

### Contract Terms

According to the notice, the use of the term "contract period" in the operating subsidy regulations has caused confusion among HUD field offices, PHAs, and energy engineering firms.

The notice explains that an EPC has several distinct contract periods, covering financing and payback, construction, add-on or frozen rolling base incentives, and the energy services agreement.

In calculating utility expenses for operating subsidy purposes, the regulations provide for a 36-month rolling base for utility consumption. Under an EPC, HUD can freeze the rolling base, allowing the PHA to retain all of the savings from energy improvements. Alternatively, HUD can provide an add-on subsidy to amortize improvement costs.

The notice says that each of these contract periods may be discrete time frames, depending on the stages and complexity of a project. For the frozen rolling base incentive and add-on subsidy incentive, the contract period is the HUD-approved term, from start to completion date, not to exceed 20 years.

Other contract periods should be sufficiently flexible to give the PHA an opportunity to maximize savings and mitigate risk, the notice says.

In addition, PHAs must comply with state and local laws that may impose shorter terms on EPCs, but states can't authorize contract terms exceeding 20 years.

### Utility Surcharges

The notice also explains that PHAs which impose surcharges on residents for excess utility consumption can't retain the surcharges as savings to amortize a loan under an EPC. It points out that consumption in excess of utility allowances is included in the rolling base to calculate operating subsidy eligibility.

"The additional funds that the PHA receives from resident surcharges are due back to HUD to offset the cost of utilities paid as part of the operating subsidy," it says.

Under the transition to asset management, the notice says that for calendar 2007 and going forward, terms in a new energy project plan, IGEA, and energy services agreement must break out savings contributions, equipment costs, and energy savings by individual project.

### SECTION 8

## \* Seattle Housing Authority Plans To Simplify Eligibility Standard For Applicants' Criminal History

The Seattle Housing Authority (SHA) has proposed modifying the criminal background standard used in de-

termining eligibility for the Section 8 voucher program by changing the waiting period to a uniform 12 months after a conviction.

The current waiting period varies according to the type of crime and ranges from two years for burglary or criminal assault to 20 years for homicide.

Lisa Cipollone-Wolters, SHA director of rental assistance programs, said the proposed change will increase the program's efficiency and promote better understanding of program rules.

The proposed eligibility standard is currently used by the King County Housing Authority, which operates in suburban communities and unincorporated areas adjacent to Seattle.

"We see this process as a way to reduce regulatory barriers to housing for people who are homeless, and to further support the efforts of the Committee to End Homelessness in King County," Cipollone-Wolters said.

### Stakeholder Meetings

The proposed screening criterion has been discussed in a series of stakeholder meetings held in recent months, and opinions vary widely, said Cipollone-Wolters.

"Some community members are concerned about adequate screening of voucher holders; while others see this change as a good way to support ex-offenders who want to rebuild their lives," she said.

The SHA said that the proposed criterion would conform with HUD regulations which mandate a denial of applications for certain past criminal activity.

These rules require a denial of eligibility for a conviction for methamphetamine production, a consistent pattern of violent criminal behavior, and other serious crimes. Any violent sex offender who has a lifetime registration requirement on a state registry also is not eligible for voucher assistance.

The HUD regulations also state that if a household has been evicted from federally assisted housing for drug-related criminal activity, the household must be denied a voucher for a period of three years after the eviction. A household also is ineligible if a member is a current user of illegal drugs.

### Landlord Screening

The SHA has reminded program participants that the proposed regulation only affects eligibility for a voucher. Landlords are expected to conduct their own independent reference checks and may deny housing based on their determination that the applicant does not meet their own tenant suitability standards, the SHA said.

In a related development, the SHA conducted a random drawing on April 17 to create a new Section 8 waiting list of 4,000 households. Nearly 12,400 households signed up for the lottery which determined positions on the new waiting list.

The SHA plans to send applications initially to the first 600 households on the new waiting list. All of the names on the previous waiting list drawn in a lottery two years ago had been contacted, creating the need for a new list, the SHA said.



## PUBLIC HOUSING

## PHA's Tenant Orientation Session Evolves into Living Skills Class

The Housing Authority of Henry County (HAHC), Ill., has refashioned its basic tenant orientation meeting into a living skills class which provides basic information about the public housing lease and maintenance, as well as details about social services, the Family Self-Sufficiency (FSS) program, and homeownership opportunities.

Kathleen Barton, HAHC executive director, said the agency continues to improve the program each year. The latest change is a short quiz at the end of the class to review what has been learned. The HAHC has 454 public housing units and 176 Section 8 vouchers and manages several other affordable housing units.

"Tenants forget things that were covered in the class, like our one-strike policy," said Barton, referring to a common PHA lease provision dealing with eviction for illegal activities of tenants or guests.

The housing authority adopted the idea of using a quiz from the Bloomington, Ill., Housing Authority, which reported good results from testing new residents. "They found that if they give a short quiz at the end of the class that more people pay attention," said Barton. "They (residents) get excited about being recognized for passing a test."

The two-hour living skills classes are held twice a month, or more often if needed. All residents 18 and older are required to attend, regardless of their relationship to the head of household.

Barton said that new residents of HAHC family developments often have never rented, have difficulty remaining independent, or feel overwhelmed with the tasks required of a tenant. She said the HAHC believes it's important for tenants to view their time as public housing residents as an opportunity to become independent and move toward their personal goals.

### Informal Class

The living skills class is held in an informal manner, and information is highlighted with success stories and props. A police officer begins each session by discussing the 26-page lease, the one-strike policy, guest pass policy, HAHC photo identification, and the HAHC's policy toward lease infractions.

The police officer also discusses how and when to use water shut-off valves, ground fault circuit interrupter (GFCI) resets, and proper smoke alarm operation. Barton said one useful piece of information is how to turn off water supply valves for toilets to lessen the extent of water damage before maintenance staff can arrive.

Barton said the police officer uses the class as an opportunity to meet tenants face-to-face and to get participants to feel more at ease in dealing with police if they are called to a public housing property.

Also during the class, the occupancy coordinator discusses emergency contact information, the roles of tenant and landlord, pet policy, housekeeping, trash removal, and postal procedures. The session concludes with an

overview from the resident initiatives coordinator of the HAHC social service programs, including FSS and homeownership opportunities.

### Impact of Class

The HAHC doesn't have detailed statistics on the impact of the living skills class, but Barton credits the course with helping to reduce calls to the office staff for basic information, increase involvement in youth programs and FSS, increase interest in homeownership, lessen unnecessary maintenance calls, and reduce one-strike violations. The number of lease infraction notices served to new residents has declined, especially notices to new tenants, she said.

HAHC operates the class without additional cost since it is taught by current staff members who have taken on this extra duty.

## ELDERLY HOUSING

## Funds Available for Intergenerational Housing Demonstration Program

HUD is making \$3.96 million in fiscal 2007 Section 202 funds available for a demonstration program for housing for very-low-income intergenerational families, with a grandparent or other relative 62 or older raising a child.

A notice of funding availability (NOFA) was published in the April 25 Federal Register, and applications are due July 2.

Only private nonprofit owners of Section 202 projects are eligible to apply for funding. HUD expects to make two to four project awards, and the maximum award will be \$2 million. There is no matching requirement.

Applications meeting certain threshold requirements will be rated on the following five factors: capacity of the applicant, up to 20 points; need, 15; soundness of approach, 40; leveraging, 15; and program evaluation, 10. An additional two bonus points are available for projects located in a renewal community, empowerment zone, or Round II enterprise community, making the maximum possible score 102 points.

### Use of Funds

Funds may be used to retrofit existing units in a Section 202 project for use as intergenerational dwelling units, to develop buildings or projects comprised solely of intergenerational units, or to develop an annex or addition to an existing project that contains intergenerational dwelling units.

An annex or addition may include echo cottage housing opportunity (ECHO) units, which are small, freestanding, energy-efficient, barrier-free, removable dwelling units located adjacent to a larger project.

Recipients will not be required to repay the demonstration funds if the housing remains available for occupancy by very-low-income intergenerational families for 20 years in the case of retrofitted units in an existing project or 40 years in the case of new buildings or annexes.

Recipients of demonstration program funds may also be eligible for project rental assistance contract (PRAC) funds to cover the difference between the tenant rent payment (30 percent of adjusted income) and the HUD-approved operating cost and to help provide supportive services. No more than \$15 per unit per month may be used for supportive services.

#### RURAL HOUSING

### RHS Announces Single-Note Demonstration for Section 538 Loans

The Rural Housing Service (RHS) has announced a Section 538 guaranteed multifamily loan demonstration program that would provide a single loan note for construction and permanent financing.

The RHS is making about \$13 million in fiscal 2008 funds available for the demonstration, which was outlined in the April 21 Federal Register.

Projects must have been awarded low-income housing tax credits, and they must have a loan-to-cost (LTC) ratio no higher than 50 percent.

The RHS was to make the initial selections for the program by April 25 from applications obligated between October 1, 2007, and April 4, 2008.

If all demonstration program funds aren't exhausted in that selection, a second round will be held, with selections to be made on July 11 from applications obligated between October 1, 2007, and July 3, 2008.

If necessary, an additional selection will be held on September 29 for applications obligated between October 1, 2007, and September 22. If funds are still available, applications obligated on or after October 1, 2006, will be included.

#### ASSISTED HOUSING

### Senate Passes Bill with Expanded Assistance for Disabled Veterans

The Senate passed a veterans' benefits bill (S. 1315) on April 24 that would make expanded housing assistance available for disabled servicemembers and veterans.

The vote was 96-1, with Sen. David Vitter (R-La.) casting the only negative vote.

One provision would authorize home improvements and structural alterations for totally disabled servicemembers while they are hospitalized or receiving outpatient medical care if the disability is likely to result in a discharge or release from the service.

The bill would also make active duty servicemembers and otherwise-eligible individuals residing outside of the United States eligible for specially adapted housing benefits for disabled veterans. Individuals outside of the United States would be eligible for assistance only if they are able to acquire a beneficial property interest in their housing or residence.

In addition, the bill would extend eligibility for spe-

cially adapted housing assistance to individuals with severe burn injuries and extend the authorization for assistance to disabled individuals temporarily residing in housing owned by a family member through December 31, 2011.

The legislation would also authorize supplemental specially adapted housing assistance for disabled veterans, to bring total assistance up to \$60,000 for housing remodeling or construction for veterans with certain severe disabilities, such as the loss of both lower extremities, or \$12,000 for adaptations for veterans who are blind or who have lost the use of both hands. The current limits are \$50,000 and \$10,000. The dollar amounts on total assistance would be adjusted annually.

### Housing and Finance Briefs

**U.S. home prices rose about 0.6 percent on a seasonally adjusted basis between January and February**, according to the Office of Federal Housing Enterprise (OFHEO) monthly house price index. For the 12 months ending in February, prices were down 2.4 percent.

The index is based on purchase prices of houses financed by mortgages that have been sold to or guaranteed by Fannie Mae and Freddie Mac.

**HUD has extended to May 23 the deadline for PHAs with 400 or fewer public housing units** to submit their election to continue with, or be exempt from, asset management.

The department has also released the calendar 2008 public housing management fee and administrative cost tables. PHAs can use these tables to establish reasonable fees to be charged to each project or, for small PHAs without a central office cost center, reasonable total administrative costs.

**The Department of Veterans Affairs (VA) has announced that revised home loan guaranty servicing rules** are applicable to industry segment 2 as of April 18. The rules were published in the February 1 Federal Register, and VA is phasing in their implementation by dividing the mortgage servicing industry into nine segments.

The announcement for industry segment 2 was published in the April 18 Federal Register. (*For background, see Current Developments, Vol. 36, No. CD-4, p. 118.*)

**HUD will require electronic submission of fiscal 2008 continuum of care applications** for homeless assistance funding using e-snaps, an electronic system separate from Grants.gov, which is used for most HUD programs.

A notice of the funding procedure, with instructions for completing the e-snaps registration process, was published in the April 30 Federal Register.

**Kentucky Gov. Steve Beshear (D) has signed legislation (H.B. 373) doubling the Kentucky Housing Corporation (KHC) debt ceiling**, from \$2.5 billion to \$5 billion. The increase is expected to enable the KHC to provide at least 25,000 additional mortgage loans.

Norfolk and Suffolk ruled on the validity of 760 Code Mass. Reg. Section 31.04(1)(1), which sets the date when a municipality's stock of low- or moderate-income housing is calculated for purposes of determining whether it meets the threshold in state law.

State law does not specify the date for calculating when a city or town reaches its affordable housing threshold. In the absence of a specific statutory definition, DHCD promulgated a regulation to determine the appropriate date.

Originally, the regulation set the date as the date an applicant filed an application for a comprehensive permit. In 1991, the regulation removed that date, but did not replace it with another date. In 2003, HAC, in an administrative decision, established the date as the date a board reaches a decision on a comprehensive permit. DHCD adopted this approach in an amended regulation.

### Norfolk Case

In the Norfolk case, the zoning board of Canton appealed the decision of the DHCD Housing Appeals Committee (HAC), which ordered the board to issue a comprehensive permit to Canton Property Holding, LLC (CPH) for a low- and moderate-income housing project.

A superior court judge granted the board's motion, concluding that HAC had no authority to order the permit because the town had achieved its statutory minimum of affordable housing while CPH's appeal was pending. The court reversed the decision.

The court said the superior court should have deferred to DHCD's interpretation of state law when it promulgated regulations that calculated a town's compliance with the affordable housing requirement at the time a board filed its decision on a comprehensive permit application. DHCD's choice of the date of filing was neither irrational nor inconsistent with the statute, the court said.

The court concluded that HAC did have the authority to hear the appeal. Because the superior court judge ruled that HAC did not have that authority, he did not rule on the merits of the case. The court reversed the decision of the superior court, but remanded for consideration on the merits.

### Suffolk Case

In the Suffolk case, owners of property abutting a proposed affordable housing development sought review of an HAC decision to approve a developer's request to increase the number of approved units by 25 percent.

The owners challenged the validity of the same DHCD regulation on the timing of the affordable housing calculation. The superior court refused to invalidate the regulation, finding that it is consistent with the statutory language and rationally related to the statute's purpose.

On appeal, plaintiffs also argued that HAC did not have jurisdiction over a developer's appeal of a decision by the town's zoning board of appeals once a town satisfied its threshold level. For the same reasons articulated in Canton, the court upheld the DHCD regulation.

The court said that DHCD appropriately promulgated a regulation to fill in a gap in the statute, and it would defer to the agency unless the regulation was not consis-

tent with the statute or was irrational. The court said neither was the case here.

Based on the history of the regulation, the court viewed DHCD's subsequent codification of the regulation as an attempt to strike a balance between the interests of municipalities and those of developers, because a town can deny a comprehensive permit with impunity if it already has reached its statutory affordable housing threshold. The court found DHCD's resolution a rational one and affirmed the decision of the superior court.

### SECTION 8

## Court Upholds Termination of Owner's Housing Assistance Contract

The Minnesota Court of Appeals upheld the Metropolitan Council Housing and Redevelopment Authority's decision to terminate an owner's Section 8 housing assistance payments (HAP) contract and move to collect subsidy overpayments. (*Shad v. Metropolitan Council Housing and Redevelopment Authority*, No. A07-0610, 2008 WL 933463 (Minn.App.), April 8, 2008)

After determining that the owner, Riaz Shad, engaged in fraudulent activity with his tenant, Zeena Dawson, the authority terminated Dawson's Section 8 assistance for failure to completely and accurately report her household composition, and a hearing officer upheld the decision.

The authority's investigation found evidence of a relationship between Shad and Dawson and occasions when Shad listed Dawson's address as his own.

### Claim for Overpayments

Concluding that Dawson's tenancy and Shad's accompanying Section 8 contract were violated, the authority attributed half of the subsidy overpayments since 2004 to Dawson and claimed that Shad owed the other half, or \$11,563.

The authority banned Shad from further participation in the Section 8 program and notified him that it would withhold payments on four other HAP contracts to be applied to the overpayment claim.

The authority also notified Shad that it would not conduct a hearing on the repayment claim because it had decided not to seek action under the Minnesota Revenue Recapture Act, which requires a notice and hearing for debt collections.

Shad contended that the lack of a hearing deprived him of his right to due process and that the authority's decision was not based on substantial evidence and was arbitrary and capricious.

### Court Ruling

Affirming the authority's decision, the court found no violation of due process in the denial of a hearing because Shad had no property interest in the HAP contract.

The court cited a HUD regulation, 24 C.F.R. Section 982.306(e), which states that "nothing in this rule is intended to give any owner any right to participate in the program."

"Because a property owner does not have a right to participate in the Section 8 program, relator [Shad] had no property interest in his contract," the court explained. "His rights are no different than those arising when a buyer terminates a practice of purchasing goods or services from a particular vendor."

In addition, the court said, HUD regulations, Section 982.555(b)(8), are clear that an informal hearing is not required when a PHA determines that it will or will not exercise any right or remedy against an owner under a HAP contract.

The court also held that Shad failed to show that the authority's determinations of fact were not supported by the record. Although Shad disputed the authority's use of evidence from Dawson's hearing to show that he lived with Dawson, the court said he provided no authority for his argument.

The court found that Shad breached an obligation under the HAP contract by residing in a Section 8 unit, since owners are prohibited from occupying assisted units, and also breached the contract by committing fraud with Dawson.

"Because respondent's decision is the product of evidence in the record and not based on a whim, its decision was not arbitrary and capricious," the court concluded.

#### ASSISTED HOUSING

### New Jersey Income Limit Rules Should Be Applied Retroactively

New Jersey Housing and Mortgage Finance Agency (HMFA) regulations setting income limits for low- and moderate-income housing should be applied retroactively, the New Jersey Superior Court, Appellate Division, ruled. (*Overlook Terrace v. New Jersey Housing and Mortgage Finance Agency*, 2008 WL 1819918 (N.J. Super. A.D.), April 24, 2008)

In 1994, the HMFA adopted rules, N.J.A.C. 5:80-9.13, allowing owners of unsubsidized bond-financed projects to convert to mixed low- and moderate-income housing, enabling them to take advantage of streamlined procedures and less restrictive standards for implementing rent increases.

The regulations referenced HUD's definition of low- and moderate-income, but a social impact statement defined low-income as 50 percent of area median income and moderate-income as 80 percent of area median. Those were also the income limits used in the only project converted under the regulations prior to the instant case.

#### Conversion Application

In 2003, Overlook Terrace sought to convert its project from a moderate-income, market-rate development to mixed low- and moderate-income housing under the HMFA regulations. Because of persistent disagreements over those regulations, the agency denied the application in April 2004.

At Overlook's request, the agency then referred the matter to the Office of Administrative Law (OAL) as a contested case.

The parties disputed regulatory provisions relating to the timing of rent increases and tenant income recertifications, but the principal disagreement involved the meaning of the regulatory reference to HUD income definitions.

The agency took the position that HUD standards use 50 and 80 percent of median for low- and moderate-income, while Overlook asserted that low-income is 80 percent of median and moderate-income, 95 percent.

In fact, HUD defines low income as 80 percent of median and has no definition of moderate income.

#### Regulations Amended

In early 2006, before the OAL proceedings were completed, the HMFA amended the regulations to set the low-income limit at 50 percent of area median income and the moderate-income limit at 80 percent of median, making those definitions retroactive to the effective date of the 1994 rules.

The 2006 regulations also adopted the agency position on the other issues in dispute with Overlook.

On July 21, 2006, the administrative law judge (ALJ) issued a decision upholding the HMFA's denial of Overlook's application. The ALJ generally rejected Overlook's substantive interpretation of the original regulations, addressing the issue of retroactivity only with respect to the income limits.

On that issue, the ALJ agreed with the HMFA that the retroactive application posed no manifest injustice to Overlook. The ALJ noted that the agency had consistently publicized the 50/80 standards and found no evidence that Overlook had relied to its detriment on the actual HUD definitions.

The HMFA board adopted the ALJ findings, and Overlook appealed.

#### Court Ruling

Since there is no doubt that under the 2006 version of the regulations, the agency's position on all disputed issues is correct, the court noted, the key question is whether the amended regulations should be applied retroactively to Overlook.

The agency argued that the 2006 regulations should be applied under the so-called "time-of-decision" principle, in which a court applies the law that is in effect at the time of its decision.

The court noted that courts will routinely apply this principle to agency regulations, especially where, as in this case, the promulgating authority expresses the clear intent to apply a new rule retroactively. It added, however, that in deciding whether to apply the time-of-decision principle, a court must also consider fairness to the affected party.

#### Retroactivity Upheld

In this case, the court upheld the agency's position on retroactivity, rejecting Overlook's claim of reliance on HUD's income definitions. The court noted first that HUD had no definition of moderate income, so Overlook could not have relied on a definition that did not exist.

The court also cited the HMFA's 1994 social impact statement and other pre-2006 documents as evidence that

*continued from front page*

in loans for more than 160,000 families and individuals in the Gulf Coast region.

### **Democratic Reaction**

Sen. Christopher J. Dodd (D-Conn.), chairman of the Senate Banking Committee, which will vote on the confirmation, said he looked forward to learning more about Preston and his qualifications, but he expressed disappointment that the President chose someone with no apparent housing background.

"We need a strong leader at the Department of Housing and Urban Development who is dedicated to helping people keep their homes, restoring stability and confidence in the mortgage market, and creating more affordable housing opportunities," Dodd said.

House Speaker Nancy Pelosi (D-Calif.) was critical of the Administration's efforts thus far in dealing with the mortgage crisis. "After a long period of inaction by the Bush Administration and the former HUD secretary, there is not time to waste," she said. "American families are at risk of losing their homes and the time to act is now."

Pelosi said that the new HUD secretary "must take strong action to help families facing foreclosure, eliminate abusive mortgage lending practices, and ensure that federal housing initiatives receive sufficient funding."

Sen. Patty Murray (D-Wash.), chair of the Senate HUD appropriations subcommittee, said the new secretary will take on the job in troubling times. Murray and Dodd had called for Jackson's resignation.

"We need quick, decisive action to address the housing crisis, not someone who is going to run out the clock on the Bush Administration," said Murray. "In the wake of Secretary Jackson's tenure, we need someone whose ethical standards are unassailable." Murray said she wants to have a candid discussion with Preston about his plans "to restore the tarnished reputation of HUD and meet the needs of the people and communities it serves."

### **Policy Opportunities**

The National Housing Conference (NHC) expects foreclosure prevention and neighborhood stabilization will continue to be the top challenges that HUD faces, said Conrad Egan, NHC president. The confirmation hearing is an opportunity to learn more about Preston's views and plans for HUD, Egan said.

Beyond that, NHC believes the new secretary has an opportunity to affect the future direction of HUD, he said. Although Preston won't be able to implement new policies because of the short time left in this Administration, Egan said, "we would hope that he could lay the foundation for some long-term strategic thinking to be taken up by his successors."

In particular, HUD must do some long-term thinking about the public housing program, said Egan. "We feel that the current public housing portfolio is untenable under the current system, and it needs to be recapitalized, it needs to be revitalized," he said. "What this means is moving it more in the direction of a project-based financing system."

The NHC also has concluded that it's time for some thought "about the next generation of ideas for FHA beyond those currently in front of Congress," said Egan. He said that FHA could become more active in the mortgage market in both single-family and multifamily housing.

"On the multifamily side, we would like to see some strategic planning, analysis, and research about how to use some kind of delegated risk-sharing model," he said.

The new HUD secretary could take the preliminary steps for strategic planning by convening working groups, commissioning research, and asking the HUD staff to submit papers on leading policy issues, said Egan. He could also consult with his peers in the Administration and with Congress to get their recommendations, he added.

### **Gulf Coast Redevelopment**

Another area that Preston could influence is "to fix the considerable mess that remains in the housing response to Katrina," said Sheila Crowley, president of the National Low Income Housing Coalition (NLIHC). Crowley said that Preston "has a unique perspective" on Gulf Coast issues since he has been generally credited with turning around the SBA response to rebuilding the region.

The difficulties faced on the Gulf Coast are complex, according to Crowley. "The area is huge, and the number of people that remain displaced and the lack of progress in housing rebuilding is staggering," she said. "It would be an area that he could make a difference in the short time he would have at HUD."

Crowley expects Preston's main focus to be on foreclosure issues. "Obviously, there is a lot of legislation moving in this regard," she said. "I hope that he can convince the Administration that they should be working with Congress in getting these bills enacted."

Crowley added that there is recent evidence that renters are being displaced by foreclosures of properties formerly owned by investors and that many renters are ending up at homeless shelters. Thus far, most of the attention has been on homeowners, she said.

### **Prospects for Effectiveness**

Preston's effectiveness will be largely determined by the circumstances of a brief tenure, said Saul Ramirez, executive director of the National Association of Housing and Redevelopment Officials (NAHRO).

Although Preston was successful in integrating a streamlined, responsive delivery system at SBA, Ramirez added, he had two years to make changes there while there are only about nine months left in the current Administration.

"As far as his effectiveness, it will just depend on the timetable for confirmation and what he may be able to do in such a short time," said Ramirez. Meanwhile, HUD is in "the very capable hands" of Deputy Secretary Roy A. Bernardi, Ramirez said, adding that Bernardi should be able to move HUD's business forward.

Ramirez added that Preston will have a steep learning curve for some HUD programs, including public housing and fair housing, though he has the financial background to deal with FHA.

**Public Housing Issues**

Like other groups, the Public Housing Authorities Directors Association (PHADA) welcomes Preston to HUD and looks forward to his confirmation, said Tim Kaiser, PHADA executive director.

Kaiser said that PHADA will focus on the need for HUD to support increased appropriations for the public housing operating and capital funds. PHADA will also ask Preston to move HUD forward with its regulatory streamlining initiative for public housing "as expeditiously as possible," he added.

The Council of Large Public Housing Authorities (CLPHA) also hopes to have a productive working relationship with Preston and see some goals for public hous-

ing achieved during his short tenure at HUD, said Sunia Zaterman, CLPHA executive director. Zaterman noted that although the Quality Housing and Work Responsibility Act of 1998 (QHWRA) was enacted a decade ago, there are still some elements HUD has not implemented.

One provision that CLPHA wants implemented is the authorization for PHAs to place mortgage debt on public properties. "We've been told for a number of years now that the rule has been in clearance, and we would ask the secretary to expedite this," she said.

Zaterman said that CLPHA also will ask HUD to take steps to simplify its asset management rules and procedures, and it would like to see HUD follow through on its commitment to administrative reform in public housing.

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**TURNING A NEW LEAF** - Riverstone Residential properties managers, Brandy Anderson and Darlene Tolman visit with LAN-CAP deputies Tony Parisi and Dan Wolanski, right, during a grand reopening celebration at the Woodlands West Townhomes in Lancaster, Friday.

EVELYN KRISTO/Valley Press

## New name, look aims to change townhomes' rep

*This story appeared in the **Antelope Valley Press***

**Saturday, May 10, 2008.**

**By VERONICA ROCHA**  
**Valley Press Staff Writer**

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LANCASTER - A residential property has received a new name and face lift in an attempt to quell its shady reputation of murders, drug activity and gang violence.

The Woodlands West Townhomes, at 44004 Engle Way, also known as the High Valley Townhomes, has had its fair share of mayhem with shootings, drug sales and Section 8 violations, officials said.

"High Valley had a real bad reputation," Cordova Park Apartments manager Darlene Tolman said. "It was gang-infested. It was drug-infested."

Sheriff's deputies and the complex's management have tried slowly to change the townhomes' bad rap.

Tolman tried to have the street name changed, but the city's process to do so was lengthy, complicated and difficult.

"Engle Way has a stigma," she said. "You know it's bad." "The Bloods had a hold on that building," Tolman said.

Sheriff's deputies focused on pushing the gang and drug element out of the complex.

The apartment manager, Brandy Anderson, said for one month, she was followed by an armed officer for protection after receiving death threats.

The last six months were a lot quieter, said Deputy Dan Wolanski of the Lancaster Sheriff's Station's Lancaster Community Appreciation Project team.

The complex's management held a lunch Friday in honor of the LAN-CAP deputies' efforts to reduce criminal offenses committed in the townhomes.

In September, LAN-CAP deputies, along with Section 8 investigators conducted a sweep of the complex, where they arrested 10 people and recommended nine Section 8 recipients for termination from the rental subsidy voucher program.

The arrest charges included forgery, violation of parole, marijuana sales and various misdemeanors.

The Section 8 recipients were found to have allowed unauthorized individuals on parole or probation to stay at the homes, officials said.

The subsidized, low-income complex was originally administered by the Housing and Urban Development program until the beginning of last year, when it gave power to the Kern County Housing Authority to monitor and issue Section 8 vouchers to residents, authorities said.

The Los Angeles County Housing Authority had added the homes, in the neighborhood of Avenue J-8 and 25th Street West, to its Section 8 voucher program so sheriff's deputies could enforce the program's rules.

When the building contract expired, Tolman said, several Section 8 residents had move out. "The building is now a good place to live," she said.

The management spent about \$2 million renovating several townhomes and painting the complex's exterior in the hopes of the complex becoming "an asset to the community, not an eye sore," Tolman said.

"It just takes a little bit of TLC, a few million dollars and some good owners," she said. Townhome renter Corey Threatt said he believes management renovated only the complex's exterior and vacant townhomes.

As a 10-year resident of the townhome, he maintains that few changes have occurred to the inside of occupied townhomes. "When I first came here, it was a nice place," the Section 8 recipient said. Threatt, whose home has been burglarized, said though he hasn't seen criminal activity within the last six months, he feels unsafe living with his 6-month daughter at the complex. "Since I have been here, there have been five homicides," he said.

In September, Miguel Monroy, 14, and 20-year-old Daniel A. Marrero died during a dispute inside the complex, Detectives believe Monroy shot and killed Marrero. Marrero's companions then shot and killed Monroy, officials said.

Threatt said he has heard shootings and has seen deputies chasing suspects through the complex. "We are law-abiding citizens," he said. "Anything could happen here at any given moment."

vrocha@avpress.com



## **Housing Affairs Letter Stories posted week of 5/10/08 - 5/16/08**

### **Fresno Homeless Camp Raids Nixed**

California: A federal judge rules Fresno officials violated the U.S. Constitution by sending city workers to raid homeless camps and destroy personal property found in them. U.S. District Judge Oliver Wanger says the city's "clean up" policy in homeless tent cities violates the Fourth Amendment, which bans unreasonable searches and seizures.

The city faces a potential class-action lawsuit brought by the homeless claiming police and sanitation workers violated their constitutional rights in about 20 tent-city sweeps from 2004 to 2006.

05/16/2008 12:13 PM

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### **Police Sued For Housing Bias**

California: Antioch's police department is accused by a group of black Sec. 8 voucher holders of racial discrimination, claiming police officers specifically targeted them to jeopardize their vouchers. City officials dismiss the allegations outlined in a federal lawsuit filed by Bay Area Legal Aid.

The lawsuit alleges the police Community Action Team (CAT) isn't race neutral in its enforcement of housing laws—CAT was formed in July 2006 to investigate problem properties which adversely affect neighborhoods and it assists the Contra Costa Housing Authority in monitoring the city's subsidized housing. A December 2007 report by the legal organization and a civil rights group contends black families are four times more likely to be targeted by CAT than are white families.

Antioch has about 1,500 Sec. 8 homes. CAT responds to complaints about loud parties, fights and use of weapons, unruly juveniles and stacked trash. The lawsuit alleges CAT members unlawfully search homes and compile evidence with the intention of terminating Sec. 8 voucher privilege.

05/16/2008 12:15 PM

May 14, 2008

## Bill to Boost Home Health For Public Housing Elderly

A CLPHA-supported measure that would expand access to home healthcare options for senior and disabled public housing residents was introduced May 12 by Rep. Nydia Velázquez (D-NY).

The "Home Health Services Job Training and Caregiving Act of 2008" would create a three-year federal pilot training program specializing in health care services. CLPHA championed a dedicated funding source for the program, which includes \$2.5 million per year in funding as part of a HUD initiative that allows public housing residents to receive training from state-certified organizations. The newly trained aides would be matched with elderly or disabled public housing residents who are Medicaid-eligible.

In large cities like New York, more than one third of public housing households are headed by an elderly person. The cost of providing home care for these seniors is less than half what it costs to provide them with nursing home assistance. It also allows them to remain in a comfortable, non-institutionalized setting.

"As long as our parents and grandparents can safely stay in their own homes, we must create opportunities for them to receive the care needed to do so," said Congresswoman Velázquez. "This legislation will help keep families together and

*(Continued on p. 2)*

## MTW Agencies Balk at HUD's Asset Management Plans, Standard Agreement

Disputes over whether Moving to Work PHAs have to comply with HUD's version of asset management have not been settled and the issue of exactly how it will be implemented by agencies that are supposed to be free of a top-down rules-driven oversight remains controversial. That was one of the conclusions coming out of an MTW Conference convened earlier this week in Washington by HUD.

"We are here to come up with solutions on how to move forward with the next 10 years of MTW," declared Dominique Blom, deputy assistant secretary in the Office of Public and Indian Housing, at the opening of the one-and-a-half-day gathering. Solutions, however, seemed in short supply – though questions and critiques of HUD's recommended approach, distributed in a draft notice prior to the meeting – were plentiful.

PHA representatives complained that the eight-page draft notice – "Asset Management for Moving to Work Agencies" – would undermine the very flexibility and fungibility provided by MTW.

Requiring PHAs to account for funds in a manner unrelated to how

*(Continued on p. 2)*

## Amid Funding Crisis, PHA Wants to Tear Down Six Large Sites, Move to Vouchers

*(This story is reprinted with the permission of the Columbus Dispatch and was written by staff writer Rita Price.)*

This much Maliki Bey has always known: The high-rise apartment he calls home is also an exercise in social policy.

"I don't want to lose it," he said.

But time, money and political support are running out for much of the city's, and the nation's, public housing.

The Columbus Metropolitan Housing Authority wants to tear down six of its largest and oldest public-housing communities and give the residents Section 8 vouchers so they can rent privately owned places.

The five-year plan hinges on approval from the U.S. Department of Housing and Urban Development, which regulates public housing and issues the vouchers. Nearly 1,700 units, or about half the CMHA-owned total, would disappear, including historic Poindexter Village.

Dennis Guest, CMHA executive director, said he sees little choice. "We're bleeding," he said.

Double-digit percentage cuts by HUD have drained more than \$7 million

*(Continued on p. 3)*

## MTW Agencies Balk at HUD's Asset Management Plans, Standard Agreement

*(Continued from p. 1)*

they are deployed is counterproductive and "antithetical" to the purpose of MTW, several PHA representatives complained. One PHA representative said that a more flexible variation on this reporting system adopted by another housing authority was touted as a model but then rejected by HUD when the PHA requested permission to operate in a similar manner.

Meanwhile, HUD's Blom reported that more than half of the PHA's participating in the MTW program, 15, have agreed to the revised and amended, or "standard," MTW agreement the department has been urging MTW PHA's to approve. There has been considerable resistance to the standard agreement, with some PHAs arguing that their original agreements should be the basis for the ongoing program, while HUD contends that the department needs a uniform agreement to simplify administration of the program. HUD's standard agreement extends a PHA's MTW authority for 10 years.

Marianne Nazzaro, HUD MTW coordinator, said the department had been responsive on a particularly nettlesome aspect of the standard agreement known as "Attachment B" – an addendum to the agreement related to the PHA Plan and budget reporting. "We have heard MTW agencies on Attachment B," said Nazzaro, and "we have made some modifications."

Meanwhile, an informal working group of HUD officials, PHA staff and CLPHA representatives was formed as the meeting concluded with the hope of achieving some consensus on the implementation of asset management. That

working group is expected to report by the end of June. ■

## Bill to Boost Home Health For Public Housing Elderly

*(Continued from p. 1)*

strengthen the bonds between neighbors," she said.

The program "would allow for easier access to, and specialized training for, such needed services to elderly and disabled residents within the public housing community," said CLPHA executive director Sunia Zaterman in a letter of support. "Similarly, due to the increasing number of elderly residents in public housing, CLPHA recognizes the need for additional and on-going supportive services," said Zaterman. "Furthermore," the CLPHA letter continued, "this Act will create another positive effect: generating job opportunities for public housing residents by making training available in a trade that provides home-based health services."

The Congresswoman announced the new initiative at a Lower East Side residential development for seniors. She was joined by Dennis Rivera, Chairman of SEIU Healthcare; Aida Garcia, Executive Vice President, 1199 SEIU Homecare Division; Earl Andrews, Vice-Chairman, New York City Housing Authority; as well as representatives from the American Association of Home Services for the Aging (AAHSA), Lutheran Family Health Centers and Public Housing Residents of the Lower East Side (PHROLES). ■

## Funds Needed for Translations, Say Multifamily Groups

The major national trade associations representing owners and managers of federally-subsidized multifamily housing, including CLPHA, will urge congressional appropriators to provide \$1 million in the FY 2009 appropriations bill for an effort to translate vital documents to assist persons with limited English proficiency.

The FY 08 appropriations act provided \$380,000 "for the creation and promotion of translated materials and other programs that support the assistance of persons with limited English proficiency in utilizing the services provided by the Department of Housing and Urban Development." "Providing this initial funding was a positive first step toward helping persons with limited English proficiency access and understand HUD's programs, the groups, led by the National Affordable Housing Management Association, said in a letter to be delivered to Capitol Hill tomorrow. "Unfortunately," the groups continued, "HUD is using a portion of these appropriations to complete work on translations which the Department committed to provide more than two years ago. Additional funding will be necessary to serve more language groups, and to translate more documents."

Says the letter: "We believe a robust \$1 million appropriation in FY 09 would go a long way toward furthering the partnership among HUD, the affordable multifamily housing industry and civil rights stakeholders to ensure persons with limited English proficiency have meaningful access to HUD's programs." ■

## NAHRO Monitor: May 15, 2008

### *Flat Rents in Public Housing*

The current issue of Cityscape, HUD's "journal of policy development and research," focuses on "policy issues in public and assisted housing." The journal includes a number of articles of potential interest to NAHRO's membership and is available at [www.huduser.org/periodicals/cityscape/vol10num1/index.html](http://www.huduser.org/periodicals/cityscape/vol10num1/index.html). One of the articles examines the use of flat rents in public housing and is summarized below.

"Use of Flat Rents in the Public Housing Program," by Meryl Finkel and Ken Lam of Abt Associates Inc., examines the characteristics of tenants in "flat-rent units." The Quality Housing and Work Responsibility Act of 1998 required PHAs to offer residents the option of paying a flat rent rather than an income-based rent. Approximately 105,000 families were using the flat-rent option as of the end of 2005.

Among the key findings regarding families in flat-rent units is that such households have much higher incomes than other public housing residents, that the rents in the units are "substantially higher than in other public housing units," and that the flat-rent households are typically still paying less than 30 percent of their income for rent. Finally, the authors find that "properties with flat-rent units have a higher degree of income mixing than other properties do." The article also describes findings regarding the number and characteristics of PHAs using flat rents. For example, small PHAs are less likely than large PHAs to have flat-rent units, and "65 percent of the flat-rent units nationwide are in high-performing PHAs" (the high-performing New York City Housing Authority accounts for one-third of all flat-rent units nationwide).

Regarding households in flat-rent units, the average household income in 2005 was \$28,150 (52 percent of median), versus \$9,426 (17 percent of median) for households in other public housing units. Sixty-eight percent of income for tenants in flat-rents units came from work and 1 percent from welfare, versus 25 percent from work and 12 percent from welfare for tenants in other public housing units. Regarding the presence of children, only 39 percent of flat-rent units had children present, versus 41 percent of other public housing units.

The article also examines changes in the use of flat rents from 2003 through 2005, finding, among other things, that "program exit rates

are similar for households paying flat rents and households in other public housing” and “the main reason households switch from flat rents to nonflat rents is because their income decreases.”

### *Guidelines Issued for HUD-VASH*

On May 6, 2008, HUD issued a notice on the policies and procedures for the administration of Section 8 Housing Choice Voucher (HCV) rental assistance under the HUD–Veterans Affairs Supportive Housing (HUD–VASH) program administered by PHAs that have partnered with local Veterans Affairs medical centers.

The HUD–VASH program combines HUD HCV rental assistance for homeless veterans with case management and clinical services provided by the Department of Veterans Affairs (VA) at its medical centers and in the community. Ongoing VA case management, health, and other supportive services will be made available to homeless veterans at as many as 132 VA Medical Center supportive services sites across the nation.

The notice sets forth design features of the HUD–VASH vouchers, including the eligibility of families, portability, case management, and the turnover of these vouchers. It outlines the waivers or alternative requirements determined by the Secretary to be necessary for the effective delivery and administration of the HUD–VASH program. These waivers or alternative requirements are exceptions to the normal HCV requirements, which otherwise govern the provision of HUD–VASH assistance. A PHA may also request additional statutory or regulatory waivers that it determines to be necessary for the effective delivery and administration of the program. These requests may be submitted to the Secretary for review and decision through the Assistant Secretary for Public and Indian Housing.

A copy of HUD’s notice can be accessed at  
<http://edocket.access.gpo.gov/2008/pdf/08-1220.pdf>.

### *Limited English Proficiency Stakeholder Meeting*

In a meeting with limited English proficiency (LEP) stakeholders on April 28, 2008, HUD’s Office of Public and Indian Housing (PIH) distributed a list of the PIH documents that have been translated and are currently going through the Office of Management and Budget clearance process.

The documents are: A Good Place to Live (HUD-593-PIH); Request for Tenancy Approval – Housing Choice Voucher Program (HUD-52517); Housing Assistance Payments Contract Sec. 8 Tenant-Based Assistance (HUD-52641); Tenancy Addendum Section 8 Tenant-Based Assistance Housing Choice Voucher Program (HUD-52641-A); Housing Choice Voucher Program (HUD-52646); Family Self-Sufficiency Program Contract and Individual Training and Services Plan (HUD-52650); Family Self-Sufficiency Program FSS Escrow Account Credit Worksheet (HUD-52652); and Authorization for the Release of Information / Privacy Act Notice (HUD-9886).

Each of the above-listed documents has been translated into the following languages: Arabic, Cambodian, Chinese (dialect unspecified), Creole, French, Hmong, Korean, Laotian, Russian, Spanish, and Vietnamese.

In response to a question about the department's ability to make available a toll-free "translation hotline," Pamela Walsh, director of the Office of Policy, Legislative Initiatives, and Outreach within the Office of Fair Housing and Equal Opportunity (FHEO), explained that there is an oral interpretation hotline available to FHEO staff but that the costs of making such a hotline available more broadly are prohibitively expensive. By way of example, she offered that the cost of one such oral translation had totaled \$17 per minute.

Ms. Walsh also addressed a question regarding the role of HUD's Office of Inspector General (OIG) in LEP enforcement activities. She stated that the OIG has no authority to find a public housing agency in violation of Title VI of the Civil Rights Act. Upon discovering an alleged violation, the role of OIG should be limited to bringing the matter to the attention of FHEO.

HUD intends eventually to make all translated documents available via an updated LEP website. HUD's current LEP website is at [www.hud.gov/offices/fheo/promotingfh/lep.cfm](http://www.hud.gov/offices/fheo/promotingfh/lep.cfm).

NAHRO members who have concerns specific to HUD's LEP implementation plan are urged to contact Jennifer Lavorel at [jlavorel@nahro.org](mailto:jlavorel@nahro.org) or 202-580-7234.

pasadenastarnews.com

## Affordable housing in short supply

By Tania Chatila, Staff Writer

Article Launched: 05/15/2008 11:01:57 PM PDT

**LA PUENTE** - The city's housing stock is aging, built out, and offers minimal affordability, according to a recently released report.

But a slowing economy, faltering housing market and few resources from the state make it tricky to fill the housing need in a way that's financially lucrative for the city, La Puente officials said.

"The problem is," said Mayor Louie Lujan, "the city of La Puente has never aggressively addressed the issue of housing."

According to the city's draft 2008-2014 Housing Element - which provides a blueprint for future affordable housing - more than 80 percent of all housing units in La Puente were built before 1980, and more than 50 percent were built before 1960.

The report indicated that in 2000, about 25 percent of La Puente's housing units were severely overcrowded, which is defined as households with more than 1.5 persons per room.

"Housing is a critical element throughout the entire San Gabriel Valley," Councilman Dan Holloway said. "There is increasing population in the city, but La Puente is built out. There's not a

lot of land."

In recent years, experts say mixed-use developments have been popular among cities throughout the region as remedies for the lack of available housing.

The developments provide sales tax revenue through a retail component and fulfill a community need through a housing component, said Julianna Delgado, professor in Cal Poly Pomona's Urban and Regional Planning Department.

But city officials say mixed-use projects may not be right for La Puente now.

As the city decides the direction of a proposed 11.5-acre development along Hacienda Boulevard, a housing component is not in the picture.

"I think at this point, the way the housing market is right now," Lujan said, "it would not yield financial benefits. It would fill a need, but it's more than just about that."

Councilman John Solis said mixed-use developments would make more sense in the city's downtown - on Main Street - which is secluded from main arterials.

But even so, economic concerns make officials apprehensive to move forward with such projects.

"The problem is when you get into mixed-use,

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the way the economy is, developers build these projects but are going to have to rent them," Solis said. "It's hard to sell homes right now. And rentals scare me."

Even if the housing economy wasn't in a downturn, mixed-use developments would not likely do much to provide affordable housing, Delgado said.

"Most of those homes are sold at market value," she said. "And you want to do more to be integrating people rather than separating people by income."

Affordable housing is a specific concern among La Puente officials, who describe city residents as working-class families who can't afford pricy homes.

"This is not an affluent community," Holloway said. "There are a lot of times when new housing goes in but it's priced higher than what our residents can afford."

Holloway stressed the importance of a "right mix of housing."

Lujan said the city can set aside money for affordable housing projects targeted at different groups, like young professionals, low-income families and seniors.

But assistance needs to come from the state and the federal government by way of programs and funding, he said.

"We want to provide affordable housing," Lujan said, "but we need the resources to do it."

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## Community Development

### Mid-Summer Date For CDBG Reform

A Government Accountability Office (GAO) report on Community Development Block Grant (CDBG) reform will wait until at least mid-summer, a GAO official says. The congressionally-requested study likely will be a guidepost for lawmakers if they decided to reform the way money is distributed in the program. A controversial HUD-White House plan offered in 2006 to change the distribution formula has been on the congressional shelf since.

The request to GAO for more reform options was initiated soon thereafter by Sen. Tom Coburn, former chairman of the Senate federal financial management subcommittee, and Rep. Michael Turner (R-OH), the former chairman of the now-defunct House federalism subcommittee.

Now, HUD determines the CDBG distribution amounts based on a two-part formula option in existence since 1978. Local jurisdictions choose the highest amount from among the two. HUD offered to change the formula in 2006, saying that it had become outdated because of demographic changes and in part because it penalizes cities which need CDBG that also have been more aggressive in razing older structures.

HUD's plan would have eliminated any distinction between state Small Cities CDBG programs that primarily serve smaller cities and the program's entitlement communities that receive 70% of CDBG funding. It offered to calculate the new formula based on five variables, including the number of households in poverty, the number of overcrowded housing units, the number of female heads of households with minor children; the number of homes 50 years or older occupied by low-income families; and the per capita income of a community compared to that of its metropolitan statistical area.

GAO officials say little has changed from initial reform plans discussed in private talks with community development stakeholders last August. GAO staff has immersed itself in the details of creating a new distribution formula proposal based on three areas of concern it mentioned last summer. They are trying to define needs in different ways, including how local costs affect need, and the capacity of local jurisdictions to address the issues on their own.

05/16/2008 12:29 PM

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## City asked to pitch in on affordable housing project

By Claudia Palma, Staff Writer

Article Launched: 05/18/2008 10:21:43 PM PDT

**SOUTH EL MONTE** - The city might be investing \$700,000 into housing to help low-income residents.

Ismael Mayans, president of Mayans Development, asked for the funding to fill a gap left by a last-minute drop of county funds.

"With the credit crunch going on right now, it's very difficult to qualify buyers, especially the low-income" said Mayans, "We have to find ways to help these homebuyers."

At last week's City Council meeting, council members asked staff to come up with a resolution to help seven families purchase affordable homes in South El Monte Villas.

Fifteen of the thirty homes at the development site on Cogswell Road are designated as affordable housing, according to city documents.

The Los Angeles County's Community Development Commission had committed to help with the affordable homes through funds from its Home Ownership Program and American Dream Down Payment Initiative.

Late last month, the county notified Mayans that

it was out of funds and will only be able to provide for eight of the fifteen homes for this fiscal year.

"When we started with this project a couple years ago, the housing market was stable," said City Manager Anthony Ybarra on Thursday.

Ybarra noted that part of Mayans' commitment to the project was to get outside resources to help with financing.

Although there are a list of programs to help low-income homebuyers, a lot of them are drying out, because of budget cuts, Mayans said Thursday.

He also said it's been difficult for the families who visit the site at least once a week, anxious to move in to their new homes.

The longer escrow takes to close on the homes, the greater the chance that something will change the families' qualifications, such as a layoff or change of income, said Mayans.

Hopefully more funds from county programs will be available to the city after November, when the new fiscal year begins, Mayans said.

The city will look into using a combination of bonds and city funds to help with the request, Ybarra said.

South El Monte has already committed \$50,000 to each of the fifteen homes through its First Time Home Buyer Program for this project.

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Although the homes are not scheduled to be completed and ready for move-in until summer, fifteen buyers are waiting for funds to complete the closing of the escrow, according to Mayans.

Mayor Blanca Figueroa said the city is fiscally sound right now and the council is constantly checking with the city manager to make sure they don't fall into budget crises like other cities.

If the resolution is passed, the city will look into each of the seven families' income to determine how much of the \$700,000 is needed for each, according to Ybarra.

"We want to keep families here," said Figueroa, "instead of leaving to other cities that make it difficult for the family and children."

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## Are L.A. County homes affordable?

**REALTORS: Association says nearly a third of region's families could buy an entry-level home.**

By Gregory J. Wilcox, Staff Writer

Article Last Updated: 05/21/2008 01:12:55 AM PDT

More than one-third of Los Angeles County families could afford buy an entry-level home in the first quarter - 66 percent more than a year earlier - thanks to an epidemic of foreclosures that depressed prices, a trade group said Tuesday.

During the first three months, 35percent of county households could afford to buy their first home, said the California Association of Realtors. That compares with 21 percent a year earlier and 28 percent during the last quarter of 2007.

The latest figures are the highest since the association began tracking housing affordability in 2003, and, experts say, another hopeful sign for Southern California's troubled real estate market.

"I would personally wait a year but if you are a buyer this would be a good time to buy a home," said Dennis Torres, director of real estate operations for Pepperdine University's Graziadio School of Business and Management.

Tuesday's report came a day after Data Quick Information Systems reported that April home and condominium sales were 22 percent higher than March levels. Most of the sales were in areas hit hard by foreclosures, with homes under \$500,000 accounting for 66 percent of sales.

Torres predicted that prices will continue to fall, putting houses within reach of more potential buyers but also causing anguish for existing homeowners watching their equity evaporate.

However, he cautioned that worries about inflation could result in higher interest rates that would again put a drag on affordability.

"We haven't been visited by our old friend rapid inflation, but he's out there and coming to dinner," Torres said.


The association's First-time Buyer Housing Affordability Index reflects the percentage of households that can afford to buy an entry-level home - one priced at 85 percent of the median price in their area.

That factored out to a \$390,450 home in Los Angeles County in the first quarter. A family would have had to earn \$74,320 a year to qualify for it.

A year earlier, before the credit crisis took hold and the real estate market tumbled, an entry-level home would have cost \$496,120. That boosted the qualifying income level to \$100,000.

"Essentially we're working our way out of the

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downturn and coming back up," Leslie Appleton-Young, vice president and chief economist of the Los Angeles-based association.

greg.wilcox@dailynews.com

"The moderate to low - under \$500,000 - part of the market is where you are seeing the activity. People are responding to lower prices," she said.

And mortgage rates are helping, too. The rate for a 30-year fixed rate loan averaged 5.65 percent in this year's first quarter, compared with 6.3percent a year earlier.

The association report also showed:

The monthly mortgage payment for an entry-level home in Los Angeles County, including taxes and insurance, was \$2,480.

Statewide, 44 percent of households could afford an entry-level home in the first quarter, compared with 33 percent during the last quarter of 2007. The increase was attributed to a 1 percentage point decrease in interest rates and a 14.3 percent drop in the entry-level median home price.

Statewide the minimum household income needed to buy an entry-level costing \$356,350 was \$67,830. The monthly payment would be \$2,260.

In the Inland Empire, hard hit by foreclosures and price declines, 57percent of households earned the \$46,450 needed to buy an entry-level house costing \$244,000. Their payment would be \$1,550.

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**Gloria Molina**  
**Yvonne Brathwaite Burke**  
**Zev Yaroslavsky**  
**Don Knabe**  
**Michael D. Antonovich**  
*Commissioners*

**Carlos Jackson**  
*Executive Director*

May 28, 2008

Honorable Housing Commissioners  
Housing Authority of the  
County of Los Angeles  
2 Coral Circle  
Monterey Park, California 91755

Dear Commissioners:

**CONCURRENCE TO APPROVE AGREEMENT WITH SIMPSON & SIMPSON, CPAS  
FOR FINANCIAL AUDIT SERVICES (ALL DISTRICTS)**

**SUBJECT**

A one year agreement is to be made with Simpson & Simpson, CPAs for financial audit services, with two option years. The Board of Commissioners approved the following actions at its May 6, 2008 meeting.

**IT IS RECOMMENDED THAT YOUR COMMISSION:**

1. Concur with the Board of Commissioners finding that the approval of a one-year agreement for Financial Audit Services is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the action will not have the potential for causing a significant effect on the environment.
2. Concur with the Board of Commissioners action to approve the expenditure of an aggregate of up to approximately \$211,863 for financial auditing services provided to the Housing Authority under the attached Agreement for Financial Audit Services (Agreement) between the Community Development Commission of the County of Los Angeles and Simpson & Simpson, CPAs, if fully extended.
3. Concur with the Board of Commissioners action to approve the expenditure of additional funds of up to \$60,000 for any unforeseen, needed financial audit services.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

The purpose of this action is to concur with the Board of Commissioners approval of the Agreement with Simpson & Simpson, CPAs to provide the audit services needed to comply with the financial and program requirements mandated by Commission and Housing Authority funding sources.

**FISCAL IMPACT/FINANCING:**

There is no impact on the County general fund. The maximum aggregate amount for all years of the Agreement, if fully extended, will be \$307,048. It is forecast that this total amount will be comprised of approximately \$95,185 for the Commission and approximately \$211,863 for the Housing Authority. The total, yearly aggregate costs of the financial auditing services are set under the terms of the Agreement; however, costs apportioned to the Commission and Housing Authority may vary from the individual forecast amounts, depending on the needed auditing services.

Costs associated with the first year of services under the Agreement will be incurred in an amount not to exceed an aggregate of \$98,800 comprised of approximately \$30,628 for the Commission and approximately \$68,172 for the Housing Authority. The Commission and Housing Authority will request approval of these funds through the annual budget process.

After the first year, the Agreement may be extended for an additional two years, in one-year increments, in the amount of \$102,368 and \$105,880 respectively. Year two of the Agreement will be comprised of approximately \$31,734 for the Commission and approximately \$70,634 for the Housing Authority. Year three of the Agreement will be comprised of approximately \$32,823 for the Commission and approximately \$73,057 for the Housing Authority. The Commission and Housing Authority will request approval of these funds through the annual budget process.

An approximate 20% contingency, in the maximum aggregate amount of \$60,000, is also being set aside for unforeseen, needed financial audit services.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

The Commission currently contracts for financial auditing services under a multi-year contract. The Agreement will replace the expiring multi-year contract with a one-year Agreement, which may be extended in one-year increments, for a total of two additional years, at the sole discretion of the Commission.

The Agreement provides for Simpson & Simpson, CPAs to conduct financial audits of Fiscal Year 2007-2008 financial statements. The audits will focus on internal controls over federal financial assistance and compliance with program requirements. This will include all funds and account groups of the Commission and the Housing Authority, including single audits of all federal grants and statements relating to redevelopment activities.

Simpson & Simpson, CPAs will provide a statement regarding financial compliance with existing redevelopment laws and regulations. The firm will also prepare a Comprehensive Annual Financial Report, as required by the Governmental Accounting Standards Board, and all other reports specified in the Agreement and required by law. Simpson & Simpson, CPAs will advise the Commission and the Housing Authority concerning methods of improving systems of internal accounting and operating controls, the appropriateness of new procedures, and provide recommendations and assistance as necessary. Should Simpson & Simpson, CPAs require additional or replacement personnel during the term of the Agreement, it will give consideration for any such employment openings to participants in the County's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program and General Relief Opportunity for Work (GROW) Program who meet the minimum qualifications for the open positions. Simpson & Simpson, CPAs will contact the County's GAIN/GROW Division for a list of participants by job category.

The attached Agreement has been approved to form by County Counsel and executed by Simpson & Simpson, CPAs.

#### **CONTRACTING PROCESS:**

On June 15, 2007, the Commission initiated an outreach program to identify qualified firms to provide financial auditing services for both the Commission and the Housing Authority. Notices of the availability of the Request for Proposals (RFP) were mailed to 12 firms identified from the Commission and Housing Authority's vendor list and firms with public sector auditing experience from the Los Angeles Business Journal's 2007 list of top 100 Certified Public Accountant firms. The availability of the RFP was also advertised in seven local newspapers and posted on the County's WebVen website.

A total of two proposals were received by the extended submission deadline of July 24, 2007. The proposals were evaluated by a review panel comprised of three representatives from the Commission, one representative from the County Auditor-Controller and a retired accounting manager from the Commission. The panel is recommending that Simpson & Simpson, CPAs be awarded the Agreement based on the criteria set forth in the RFP and consensus scoring.

The Summary of Outreach Activities is provided as Attachment A.



Honorable Housing Commissioners  
May 28, 2008  
Page 4

**IMPACT ON CURRENT PROGRAMS:**

The Agreement will provide continuation of mandated audit services for both financial and programmatic compliance.

Respectfully submitted,

*for*   
CARLOS JACKSON  
Executive Director

Attachments: 1

## ATTACHMENT A

### Summary of Outreach Activities

On June 15, 2007, the following outreach was initiated to identify a firm to provide financial audit services to the Community Development Commission and the Housing Authority under a one-year agreement, with an additional two-year extension, in one-year increments, effective with the Fiscal Year 2007-2008 financial statements.

#### A. Newspaper Advertising

Announcements appeared in the following seven local newspapers:

Eastern Group Publications	Los Angeles Times
International Daily News	The Daily News
La Opinion	Wave Community Newspapers
Los Angeles Sentinel	

#### B. Distribution of Request for Proposal Packages

The Commission and Housing Authority's vendor list and the Los Angeles Business Journal's 2007 list of top 100 Certified Public Accountant firms were used to identify 12 firms with public sector auditing experience. Notices of the availability of the Request for Proposals (RFP) were mailed to these firms. In addition, the RFP was posted on the County's WebVen website.

#### C. Proposal Results

A total of two proposals were received by the extended submission deadline of July 24, 2007.

A review panel comprised of three representatives from the Commission, one representative from the County Auditor-Controller and a retired accounting manager from the Commission evaluated the proposals. Simpson & Simpson, CPAs was selected for recommendation of award of Agreement based on the criteria set forth in the RFP and consensus scoring.

<u>Firm</u>	<u>Evaluation Score</u>
Simpson & Simpson, CPAs**	833.0
Vasquez & Co. LLP**	806.0

\*\*Minority-owned firm

D. Minority/Female Participation - Firm Selected

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Simpson & Simpson, CPAs	Minority	Total: 47 45 minorities 23 women 96% minorities 49% women

E. Minority/Female Participation - Firms Not Selected

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Vasquez & Co, LLP	Minority	Total: 48 46 minorities 24 women 96% minorities 50% women

The Commission encourages the participation of minorities and women in the contract award process, by providing information about the Commission at local and national conferences, conducting seminars for minorities and women regarding programs and services, advertising in newspapers to invite placement on the vendor list, and mailing information to associations which represent minorities and women. The above information has been voluntarily provided by the firms, which participated in the outreach program.

The recommendation to award the Agreement for Financial Audit Services to Simpson & Simpson, CPAs is being made in accordance with federal regulations, and without regard to race, creed, color, gender, or sexual orientation.



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**Gloria Molina**  
**Yvonne Brathwaite Burke**  
**Zev Yaroslavsky**  
**Don Knabe**  
**Michael D. Antonovich**  
Commissioners

**Carlos Jackson**  
Executive Director

May 28, 2008

Honorable Housing Commissioners  
Housing Authority of the  
County of Los Angeles  
2 Coral Circle  
Monterey Park, California 91755

Dear Commissioners:

**CONCURRENCE TO APPROVE THREE CONSTRUCTION CONTRACTS AND TWO  
ENVIRONMENTAL ASSESSMENT AND REMEDIATION AGREEMENTS FOR  
MODERNIZATION OF EIGHT ELEVATORS AT THREE HOUSING AUTHORITY  
SENIOR HOUSING DEVELOPMENTS (2,3)**

**IT IS RECOMMENDED THAT YOUR COMMISSION:**

1. Concur with the Board of Commissioners finding that the approval of construction contracts and environmental assessment and remediation agreements for modernization of eight elevators at South Bay Gardens located in the unincorporated area of Los Angeles County, Marina Manor I and II located in Marina Del Rey, and Palm Apartments located in West Hollywood is exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Concur with the Board of Commissioners action to approve and authorize the Executive Director to execute three construction contracts (Contracts) in the aggregate amount of \$2,273,000, in substantially the form of the attached, and all related documents, with ML Construction, to modernize eight elevators at the following three senior housing developments: South Bay Gardens located in the unincorporated area of Los Angeles County, Marina Manor I and II located in Marina Del Rey, and Palm Apartments located in West Hollywood, to be effective following execution by all parties and the issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval.



3. Concur with the Board of Commissioners action to approve and authorize the Executive Director to execute two environmental assessment and remediation agreements (Agreements) in the aggregate amount of \$160,000, in substantially the form of the attached, and all related documents, with Rincon Consultants, Inc., for environmental assessment services related to the modernization of six elevators at the following two senior housing developments: Marina Manor I and II and Palm Apartments, to be effective following execution by all parties and the issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval.
4. Concur with the Board of Commissioners action to authorize the Executive Director to use a maximum aggregate amount of \$2,433,000 in Capital Fund Program (CFP) funds allocated by the U.S. Department of Housing and Urban Development (HUD) for the purposes described herein, and to authorize the Executive Director to approve Contract change orders not to exceed \$486,600 for unforeseen project costs, using the same source of funds.
5. Concur with the Board of Commissioners action to authorize the Executive Director to incorporate up to \$2,919,600 in CFP funds into the Housing Authority's approved Fiscal Year 2007-2008 budget, for the purposes described above.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

The purpose of this action is to concur with the Board of Commissioners approval of three Contracts for the modernization of eight elevators at three senior housing developments at South Bay Gardens in the unincorporated area of Los Angeles County, Marina Manor I and II in Marina Del Rey, and Palm Apartments in West Hollywood, and to award two Agreements for environmental assessment and remediation services related to the modernization of six elevators located at Marina Manor I and II and Palm Apartments.

**FISCAL IMPACT/FINANCING:**

There is no impact on the County general fund. The Housing Authority will fund the elevator modernization project with \$2,433,000 in CFP funds allocated by HUD. A 20% contingency, in the amount of \$486,600, is also being set aside for unforeseen costs, using the same source of funds. A total of up to \$2,919,600 in CFP funds will be incorporated into the Housing Authority's approved Fiscal Year 2007-2008 budget, for the purposes described above.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

The eight elevators at the three senior housing developments are original to each of the buildings. The three-story, 100-unit South Bay Gardens senior housing development was built in 1982 and has two elevators. The four-story, 71-unit Marina Manor I, and eight-story, 112-unit Marina Manor II, were built in 1983 and have a total of four elevators. The five-story, 127-unit Palm Apartments was built in 1978 and has two elevators.

The conditions of the eight elevators are as follows:

- South Bay Gardens: Both elevators show deterioration, corrosion and severe need of controls modernization; the door operation and floor-to-floor performance is very poor, and the elevator pits are prone to water seepage because the waterproofing of the walls has been compromised due to age.
- Marina Manor I: One of the two elevators is out of service due to an oil leakage from the hydraulic cylinder assembly; there is a need of controls modernization, and the door operation and floor-to-floor performance of the second elevator is very poor.
- Marina Manor II: There is a need of controls modernization; and the door operation and floor-to-floor performance is very poor in both elevators.
- Palm Apartments: One of the two elevators is out of service due to an oil leakage from the hydraulic cylinder assembly; there is a need of controls modernization, and the door operation and floor-to-floor performance of both elevator is very poor.

The existing conditions could result in closure of the elevators. This would place an immediate and substantial hardship on many of the senior and disabled residents who would have difficulty using the stairs to get to their units, resulting in their temporary relocation until the elevators could be replaced. Additionally, all three sites have high water tables, and leaking hydraulic fluid in the elevator shafts could contaminate groundwater.

For these reasons, the Housing Authority determined that the situation is urgent, and that an elevator construction contractor needed to be procured to modernize the elevators. In order to meet residents' needs, eliminate potential risks, and avoid relocation costs, Housing Authority staff has determined that regular procurement requirements be set aside and that contracts for the consecutive modernization of the elevators be executed as quickly as possible.

The Housing Authority selected contractors to accomplish these tasks based on past performance and ability to perform the required tasks immediately. Selection of these contractors conforms to the Housing Authority's guidelines for non-competitive procurement.

It is anticipated that the project will be completed within 180 calendar days following the Notice to Proceed.

The improvements are being federally funded, and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program and General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, the Contractors will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

The three Contracts and two Agreements have been approved as to form by County Counsel.

#### **ENVIRONMENTAL DOCUMENTATION:**

Pursuant to Title 24 of the Code of Federal Regulations, Section 58.35 (a)(3)(ii), this action is excluded from the National Environmental Policy Act (NEPA) because it involves activities that will not alter existing environmental conditions. The action is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301 and 15330 because it does not have the potential for causing a significant effect on the environment.

#### **CONTRACTING PROCESS:**

Due to the urgent nature of this project, the Housing Authority followed its procurement policy as it relates to noncompetitive proposals. In this case, a contract may be awarded by noncompetitive proposals because the present situation, which arose by reason of equipment failure, seriously threatens the public safety and endangers property. In addition, there is an immediate and serious need for contractual services, which cannot be met by regular procurement procedures.

The Housing Authority referred to its list of eligible contractors for firms available to perform this work immediately. The Housing Authority will execute three Contracts with ML Construction for the construction-related work at all three senior housing developments.

The Housing Authority will execute two Agreements with Rincon Consultants, Inc. for environmental assessment and remediation services at Marina Manor I and II and Palm Apartments, if additional environmental assessment services are required and/or environmental contamination is discovered during the assessment.

ML Construction was selected because the firm's equipment delivery time is nearly three months faster than the other firms contacted. Both contractors are fully qualified to perform the work required, and are available to begin immediately following Board approval.

**IMPACT ON CURRENT PROJECT:**

The award of the three Contracts and two Agreements will provide for the modernization of eight elevators at three senior housing developments.

Respectfully submitted,



 CARLOS JACKSON  
Executive Director

Attachments: 2



## ATTACHMENT A

## SOLE SOURCE CHECKLIST

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS <i>Identify applicable justification and provide documentation for each checked item.</i>
	➤ Only one bona fide source for the service exists; performance and price competition are not available.
	➤ Quick action is required (emergency situation).
	➤ Proposals have been solicited but no satisfactory proposals were received.
	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
	➤ Maintenance service agreements exist on equipment which must be serviced by the authorized manufacturer's service representatives.
	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
	➤ It is in the best interest of the County, e.g., administrative cost savings, excessive learning curve for a new service provider, etc.
✓	➤ Other reason. Please explain: Liability to Housing Authority if hydraulic fluid leaks into groundwater. Risk of second elevator shutting down, requiring relocation of all residents at substantial cost. Contractor has expertise in elevator modernization. Six month time savings vs. standard procurement, and three months vs. sole source with another firm.
<u>Robbette L. Glover</u> Assistant Executive Director, Housing Authority	<u>4/10/08</u> Date  <u>4/10/08</u> Date
<u>Lyni Muehan</u> Deputy Chief Executive Officer, CEO	

**Contract Summary**

**Project Name:** Elevator modernization  
**Locations:** South Bay Gardens, 230 East 130<sup>th</sup> Street, unincorporated Los Angeles County  
Marina Manor I and II, 3401 & 3405 Via Dolce, Marina Del Rey  
Palm Apartments, 959 North Palm Avenue, West Hollywood  
**Bid Number:** Not Applicable  
**Bid Date:** Not Applicable  
**Contractors:** ML Construction and Rincon Consultants, Inc.  
**Services:** Construction services and environmental assessment and remediation services for elevator modernization

**Construction Contract Documents:** Part A – Instructions to Bidders and General Conditions, Part B – Specifications, Part C – Bidder's Documents, Representations, Certifications, Bid, and Other Statements of Bidder

**Agreement Documents:** Attachment A – Billing Rates and Attachment B - Safely Surrendered Baby Law and Poster

**Time of Commencement:** The work shall commence following receipt of written Notices to Proceed from the Housing Authority.

**Aggregate Contract Sum:** The Housing Authority shall pay ML Construction for the performance of the construction contract subject to additions and deductions by Change Order(s) as provided in the Contract Documents, in current funds, the sum of **Two Million Two Hundred Seventy-Three Thousand Dollars and Zero Cents (\$2,273,000)**, and shall pay Rincon Consultants, Inc., for the environmental assessment and remediation services contract subject to additions and deductions by Change Order(s) as provided in the Contract Documents, in current funds, the sum of **One Hundred Sixty Thousand Dollars and Zero Cents (\$160,000.00)**.

**Contract Contingency:**   **ML Construction - \$454,000.00**  
                                      **Rincon Consultants, Inc. - \$32,000.00**



**HOUSING AUTHORITY  
of the County of Los Angeles**

Administrative Office  
2 Coral Circle • Monterey Park, CA 91755  
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**Gloria Molina**  
**Yvonne Brathwaite Burke**  
**Zev Yaroslavsky**  
**Don Knabe**  
**Michael D. Antonovich**  
*Commissioners*

**Carlos Jackson**  
*Executive Director*

May 28, 2008

Honorable Housing Commissioners  
Housing Authority of the  
County of Los Angeles  
2 Coral Circle  
Monterey Park, California 91755

Dear Commissioners:

**CONCURRENCE TO APPROVE THE 2008-2009 ACTION PLAN FOR THE  
ALLOCATION OF FEDERAL FUNDS (ALL DISTRICTS)**

**SUBJECT:**

The Fiscal Year 2008-2009 Action Plan will enable the County of Los Angeles to apply for, receive and administer Community Development Block Grant, HOME Investment Partnerships, American Dream Downpayment Initiative Act, and Emergency Shelter Grant program funds from the U.S. Department of Housing and Urban Development for housing and community development activities in the 47 participating cities and the unincorporated areas of the Los Angeles Urban County. The Board of Commissioners approved the following actions at its May 27, 2008 meeting.

**IT IS RECOMMENDED THAT YOUR COMMISSION:**

1. Concur with the Board of Commissioners action to authorize the Housing Authority of the County of Los Angeles (Housing Authority) to accept from the County of Los Angeles an estimated \$2,008,511 in Fiscal Year 2008-2009 Community Development Block Grant (CDBG) funds, and to continue administration of \$1,737,704 in prior year CDBG funds, which will be requested for incorporation into the Housing Authority's Fiscal Year 2008-2009 budget through the Housing Authority's annual budget approval process, subject to final notification of approval by the U.S. Department of Housing and Urban Development (HUD).



2. Concur with the Board of Commissioners action to authorize the Executive Director of the Housing Authority to request the incorporation of \$2,008,511 into the Housing Authority's Fiscal Year 2008-2009 budget through the Housing Authority's annual budget approval process, subject to final notification by HUD.
3. Concur with the Board of Commissioners action to authorize the Executive Director or his designee to execute CDBG Reimbursable Contracts with the County of Los Angeles, attached in substantially final form, to provide funding for the activities described herein, to be effective following approval as to form by County Counsel and execution by all parties.
4. Concur with the Board of Commissioners action to authorize the Executive Director or his designee to execute CDBG Reimbursable Contract Amendments with the County of Los Angeles, attached in substantially final form, to extend the contracts through June 30, 2009 for projects at the Nueva Maravilla and Carmelitos housing developments and the Bright Futures Childcare Center, using \$1,737,704 in prior-year CDBG funds, to be effective following approval as to form by County Counsel and execution by all parties.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

The National Affordable Housing Act (NAHA) of 1990 (Cranston/Gonzalez Housing Act), as amended in 1992, requires that the County of Los Angeles provide a single, consolidated submission of the proposed expenditure of funds to be eligible for HUD formula grant funding, including CDBG, HOME Investment Partnerships (HOME), American Dream Downpayment Initiative Act (ADDI), and Emergency Shelter Grant (ESG). The Action Plan for Fiscal Year 2008-2009 (Fiscal Year) satisfies these federal requirements to provide for the release of funds.

**FISCAL IMPACT/FINANCING:**

There is no impact on the County general fund. The Action Plan allocates an estimated \$2,008,511 in new Thirty-fourth Program Year (July 1, 2008 to June 30, 2009) CDBG funds that will be incorporated through the Fiscal Year 2008-2009 Housing Authority budget approval process.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

On May 27, 2003, the Board approved the Five-Year Consolidated Plan for 2003-2008 and the Fiscal Year 2003-2004 Action Plan. These documents have been updated as required by HUD. The current Consolidated Plan, and Fiscal Year 2007-2008 Action Plan

end on June 30, 2008, and new plans must be adopted by the Board in order to receive continued funding from HUD. The Action Plan includes a description of the activities to be undertaken during the 2008-2009 Fiscal Year to address the objectives of the Consolidated Plan's five-year strategy. A list of the Housing Authority projects included in the Action Plan is provided as Attachment A.

All public notice requirements contained in 24 Code of Federal Regulations Part 91 Section 91.105 of the NAHA for approval of the Action Plan have been satisfied. A total of five community meetings were held in September 2007. Comments received at these meetings have been incorporated into the Action Plan and posted on the Commission website in late April 2008 to update the public regarding the comments received earlier at the meetings.

Notice of the 30-day public comment period and public hearing was published on April 25, 2008 in newspapers of general circulation throughout the County, and copies of the draft Action Plan were made available for public review at 29 libraries. The public comment period will conclude on May 27, 2008, the day of the public hearing.

All of the projects proposed in the Action Plan are being federally funded. As applicable, the administering agencies will be subject to the prevailing wage requirements of the Davis-Bacon Act and related Acts and Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance. However, where Section 3 is not applicable, the agencies will be subject to the County's Greater Avenues for Independence (GAIN) Program and General Relief Opportunity for Work (GROW) Program, which furthers the same or similar goals.

This letter has been reviewed by County Counsel. Similar letters were approved by the Board of Supervisors and to the Board of Commissioners of the Community Development Commission at the May 27, 2008 Board meeting.

**ENVIRONMENTAL DOCUMENTATION:**

The Action Plan is exempt from the provisions of the National Environmental Policy Act (NEPA) pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(1), because it is a planning document and does not involve activities that will alter existing environmental conditions. The Action Plan is not subject to the provisions of the California Environmental Quality Act (CEQA), pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

Each program within the Action Plan will be reviewed for environmental impact on a project-by-project basis before funding is released.

**IMPACT ON CURRENT PROJECTS:**

The projects contained in the Action Plan will benefit low- and moderate-income residents of the unincorporated County and participating cities.

Respectfully submitted,

  
for CARLOS JACKSON  
Executive Director

Attachments: 1

## ATTACHMENT A

### HOUSING AUTHORITY PROJECTS FOR FISCAL YEAR 2008-2009

	<b>PROJECTS (New Funding)</b>	
<b>Project Title (District)</b>	<b>Project Description</b>	<b>Funding</b>
Sheriff's Youth Intervention Program I Nueva Maravilla (First)	Provides for full time deputy for after-school enrichment/recreational programs; gang violence prevention education; community service projects for approximately 25 youths (ages 9-18)	\$80,000
South Scattered Sites Exterior Painting (Second)	Provides funding to paint, patch, stucco, replace and/or replace fascia boards and other repairs as needed at five (5) South Scattered Sites.	\$190,000
South Scattered Sites Gate Replacement (Second)	Replacement of existing gate operators with new operators in eight (8) South Scattered Sites. Funds will be used to purchase, deliver and install the new gates.	\$250,000
Southbay Gardens Interior Unit Flooring (Second)	Replacement of deteriorated flooring (carpet and tile) with new flooring in 65 units at Southbay Gardens.	\$230,000
Southbay Gardens Commercial Kitchen (Second)	Enhancement and upgrade of existing undersized and inadequate residential grade kitchen into commercial grade kitchen to provide meal plans for senior residents at this housing development.	\$220,000
Magic Johnson Inventor Center at Ujima Village (Second)	Computer center that provides information technology consultation; and computer access to advance education training of residents at Ujima Village.	\$50,000
Closed Circuit Television (CTTV) Systems (Countywide)	Installation and maintenance of closed circuit television systems as deterrent to crime and improving quality of life of public housing residents.	\$100,000
Carmelitos Senior Elevators (Countywide)	Repair and upgrade of two deteriorating elevators at the Carmelitos Seniors Housing Development.	\$291,666

**HOUSING AUTHORITY PROJECTS FOR FISCAL YEAR 2008-2009 (Continued)**

	<b>PROJECTS (New Funding)</b>	
<b>Project Title (District)</b>	<b>Project Description</b>	<b>Funding</b>
Sheriff Countywide Prevention and Intervention Deputy (Countywide)	Provision of a full time deputy to coordinate and administer all Community Policing Programs and prevention and intervention programs at all the housing sites.	\$184,922
Family Resource Centers (Countywide)	Provision of supportive and clinical services (family and individual counseling; academic and career counseling; drug awareness; parenting skills programs; conflict resolution, truancy prevention, etc.) to 200 residents/tenants.	\$411,923
	<b>TOTAL</b>	<b>\$2,008,511</b>

	<b>CONTINUING PROJECTS (Prior Year Funding)</b>	
<b>Project Title (District)</b>	<b>Project Description</b>	<b>Funding</b>
Nueva Maravilla Termite Abatement I (First)	Termite abatement and elimination of dry rot by repairing the wood components in the residential units and in common areas.	\$250,000
Bright Futures Childcare Rehabilitation I (Second)	Development of the Bright Futures Child Care Center which includes rebuilding modular units that serve as a child care center operated by the L.A. Child Development Consortium. Upon completion, the facility will serve 92 children.	\$280,000
Bright Futures Childcare Rehabilitation II (Countywide)	Development of the Bright Futures Child Care Center which includes rebuilding modular units that serve as a child care center operated by the L.A. Child Development Consortium. Upon completion, the facility will serve 92 children.	\$231,000
Carmelitos Stairways Renovation II (Fourth)	Replacement and rehabilitation of deteriorated stairways in 469 family units at the Carmelitos housing development.	\$976,704
	<b>TOTAL:</b>	<b>\$1,737,704</b>





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**Gloria Molina**  
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**Michael D. Antonovich**  
*Commissioners*

**Carlos Jackson**  
*Executive Director*

May 28, 2008

Honorable Housing Commissioners  
Housing Authority of the  
County of Los Angeles  
2 Coral Circle  
Monterey Park, California 91755

Dear Commissioners:

**CONCURRENCE TO AUTHORIZE THE ISSUANCE OF MULTIFAMILY HOUSING  
MORTGAGE REVENUE BONDS FOR THE SIERRA BONITA APARTMENTS IN  
THE CITY OF WEST HOLLYWOOD (3)**

**SUBJECT**

This letter requests that your Board authorize the issuance, sale and delivery of Multifamily Housing Mortgage Revenue Bonds to finance the site acquisition and construction of the 42-unit Sierra Bonita Apartments, to be located at 7530 Santa Monica Boulevard in the City of West Hollywood. The Board of Commissioners approved the following actions at its May 6, 2008 meeting.

**IT IS RECOMMENDED THAT YOUR COMMISSION:**

1. Concur with the Board of Commissioners finding that the approval of a resolution authorizing the issuance of Multifamily Housing Mortgage Revenue Bonds by the Housing Authority of the County of Los Angeles to finance the site acquisition and construction of the 42-unit Sierra Bonita Apartments is not subject to the California Environmental Quality Act (CEQA) because the proposed action will not have the potential for causing a significant effect on the environment.
2. Concur with the Board of Commissioners action to adopt the attached resolution, as required under Section 147(f) of the Internal Revenue Code of 1986, authorizing the issuance of Multifamily Housing Mortgage Revenue Bonds by the Housing Authority of the County of Los Angeles, in an aggregate amount not exceeding \$11,000,000, to



assist 7530 Santa Monica L.P. (Developer) in financing the site acquisition and construction of the 42-unit Sierra Bonita Apartments (Project), to be located at 7530 Santa Monica Boulevard in the City of West Hollywood.

3. Concur with the Board of Commissioners action to authorize the Executive Director to execute all related documents and take all necessary actions for the Developer to finance the site acquisition and construction of the Project.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

The purpose of this action is to concur with the Board of Commissioners action authorizing the issuance, sale and delivery of Multifamily Housing Mortgage Revenue Bonds, in an aggregate amount not to exceed \$11,000,000, to finance the site acquisition and construction of the Project. This action will also allow the bonds to qualify for a tax exemption under Section 103 of the Internal Revenue Code of 1986.

**FISCAL IMPACT/FINANCING:**

No County costs will be incurred. The Developer will pay all fees and related costs.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

The Housing Authority issues Multifamily Housing Mortgage Revenue Bonds on an ongoing basis to provide financing to increase the supply of multifamily housing for very low-, low-, and moderate-income families throughout Los Angeles County.

On December 18, 2007, the Housing Authority conducted a public hearing regarding the issuance of bonds to finance the project, as authorized by Section 147(f) of the Internal Revenue Code of 1986, at its office located at 2 Coral Circle in the City of Monterey Park. No comments were received at the public hearing concerning the issuance of the bonds or the nature and location of the project.

On December 19, 2007, the Housing Commission recommended approval of the Inducement Resolution of Multifamily Housing Mortgage Revenue Bonds for the construction of the Project.

On January 8, 2008, the Housing Authority adopted an Inducement Resolution declaring the intent of the Housing Authority to undertake the financing of a Multifamily Housing Mortgage Revenue Bond project in accordance with United States Treasury Department Regulations. This action established a base date after which costs incurred by the Developer for the project could be included in the acquisition, construction and permanent financing obtained pursuant to the issuance of tax-exempt bonds.

The Project will consist of 42 multifamily rental units, including one manager's unit, at 7530 Santa Monica Boulevard in the City of West Hollywood. Thirteen of the units will be reserved for households with incomes that do not exceed 30% of the Area Median Income (AMI) for the Los Angeles-Long Beach Metropolitan Statistical Area (MSA), adjusted for household size, as determined by the U.S. Department of Housing and Urban Development (HUD). Twenty-eight of the units will be reserved for households with incomes that do not exceed 50% of the AMI. The manager's unit will have no affordability requirements. These requirements will remain in effect for 55 years.

The attached resolution was prepared by Orrick, Herrington & Sutcliffe, Bond Counsel to the Housing Authority, and signed by the Chair of the Board of Commissioners on May 6, 2008. All other related documents, in substantially final form, are on file with the Executive Office of the Board of Commissioners. They will be approved as to form by County Counsel prior to execution by the authorized parties.

**ENVIRONMENTAL DOCUMENTATION:**

The proposed actions are not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

An Environmental Assessment was prepared for the Sierra Bonita construction project pursuant to the requirements of the National Environmental Policy Act of 1969 (NEPA). Based on the conclusions and findings of the Environmental Assessment, a Finding of No Significant Impact was approved by the Commission on July 26, 2007. Following the required public and agency comment period, HUD issued a Release of Funds for the project on August 11, 2007.

As a Responsible Agency, and in accordance with the requirements of California Environmental Quality Act (CEQA) Guidelines, the Commission reviewed the IS/ND prepared by the City of West Hollywood for the construction project and determined that the project will not have significant adverse impact on the environment. The Commission's consideration and approval of the IS/ND on September 11, 2007, and filing of the Notice of Determination, satisfies CEQA Guidelines as stated in Article 7, Section 15096.

**IMPACT ON CURRENT PROJECT:**

The proposed action will increase the supply of affordable housing in the County.

Respectfully submitted,

*for*   
CARLOS JACKSON  
Executive Director

Attachments: 1

RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$11,000,000 FOR THE PURPOSE OF MAKING A LOAN TO PROVIDE FINANCING FOR A MULTIFAMILY RENTAL HOUSING PROJECT KNOWN AS SIERRA BONITA APARTMENTS PROJECT, DETERMINING AND PRESCRIBING CERTAIN MATTERS RELATING THERETO, AND APPROVING AND AUTHORIZING THE EXECUTION OF RELATED DOCUMENTS, AGREEMENTS AND ACTIONS.

WHEREAS, the Housing Authority of the County of Los Angeles ("the Authority") is authorized and empowered by the provisions of Section 34312.3 of the Health and Safety Code of the State of California (the "Act") to issue and sell revenue bonds for the purpose of making loans or otherwise providing funds to finance the acquisition and construction of multifamily residential rental housing projects, including units for households meeting the income limits set forth in the Act; and

WHEREAS, there has been prepared and presented to this Board for consideration at this meeting the documentation required for the issuance of bonds for the financing of the Sierra Bonita Apartments Project (the "Project"); and

WHEREAS, it appears that each of the documents and instruments above referred to which are now before this meeting is in appropriate form and is an appropriate instrument to be executed and delivered for the purposes intended;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing Authority of the County of Los Angeles, as follows:

1. It is hereby found and determined that it is necessary and desirable for the Authority to provide financing for the Project through the issuance and sale of the Bonds (as hereinafter defined) in order to assist in the acquisition and development of the type of dwelling units provided by the Project.

2. For the purpose of raising moneys with which to effectuate financing for the Project, the Authority hereby determines to issue its Multifamily Housing Revenue Bonds (Sierra Bonita Apartments Project), 2008 Series A, in one or more series, each with an appropriate series designation (the "Bonds"), in an aggregate principal amount not to exceed \$11,000,000. The Bonds shall bear interest at the interest rates set forth in or determined in accordance with a master pledge and assignment (the "Master Pledge and Assignment"), maturing as provided in the Master Pledge and Assignment, but not later than 35 years from the date of issue. The Bonds shall be in substantially the form set forth in the Master Pledge and Assignment, with such appropriate variations, omissions, insertions and provisions as are permitted or required by the

Master Pledge and Assignment, which shall be appropriately completed when the Bonds are prepared.

The Bonds shall be limited obligations of the Authority payable solely from the revenues, receipts and other moneys pledged therefor under the Master Pledge and Assignment.

3. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of this Board and attested with the manual or facsimile signature of the Executive Officer of this Board.

4. The proposed form of Master Pledge and Assignment, in the form presented to this meeting, is hereby approved. The Chair of this Board and the Executive Director of the Authority are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Master Pledge and Assignment, in substantially said form, with such additions thereto or changes therein as such officer may approve or recommend upon consultation with counsel to the Authority and Bond Counsel to the Authority (provided that such additions or changes shall not authorize an aggregate principal amount of Bonds in excess of the amount stated above or result in an initial interest rate on the Bonds in excess of [9]%), the approval of such additions or changes to be evidenced conclusively by the execution and delivery of the Master Pledge and Assignment. The date, maturity dates, interest rate or rates, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the bonds shall be as provided in the Master Pledge and Assignment as finally executed.

5. The proposed form of Master Agency Agreement (the "Master Agency Agreement"), in the form presented to this meeting, is hereby approved. The Chair of this Board and the Executive Director of the Authority are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Master Agency Agreement, with such additions or changes in said document as such officer may recommend or approve upon consultation with counsel to the Authority and Bond Counsel to the Authority, the approval of such additions or changes to be evidenced conclusively by the execution and delivery of the Master Agency Agreement.

6. The proposed form of Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement") in the form presented to this meeting, is hereby approved. The Chair of this Board and the Executive Director of the Authority are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Regulatory Agreement, with such additions or changes in said document as such officer may recommend or approve upon consultation with counsel to the Authority and Bond Counsel to the Authority, the approval of such additions or changes to be evidenced conclusively by the execution and delivery of the Regulatory Agreement.

7. This Board hereby appoints the Executive Director of the Authority or his or her Deputy or designee as administrator/manager with respect to the Project and other matters arising in connection with the Bonds (the "Administrator").

8. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this resolution, whether before or after the issuance of the Bonds, including without limitation any of the foregoing which may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project or any redemption of the Bonds, may be given or taken by the Administrator without further authorization by this Board, and the Administrator is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officer may deem necessary or desirable to further the purposes of this resolution.

9. All actions heretofore taken by the officers and agents of the Authority with respect to the sale and issuance of the Bonds are hereby approved, confirmed and ratified, and the proper officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to those described in the Indenture and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority.

10. All resolutions or parts thereto in conflict herewith are, to the extent of such conflict, hereby repealed.

11. This resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of Los Angeles, State of California, this 6<sup>TH</sup> day of MAY, 2008, by the following vote:

AYES: GLORIA MOLINA, YVONNE B. BURKE, DON KNABE, MIKE ANTONOVICH

NOES: NONE

ABSENT: ZEV YAROSLAVSKY

ABSTAIN: NONE



ATTEST:

Sachi A. Hamai  
Executive Officer  
of the Board of Commissioners

By: 

Deputy

By: 

Chair of the Board  
of Commissioners

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.  
County Counsel

By: 

Deputy





**HOUSING AUTHORITY  
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**Gloria Molina**  
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**Don Knabe**  
**Michael D. Antonovich**  
*Commissioners*

**Carlos Jackson**  
*Executive Director*

May 28, 2008

Honorable Housing Commissioners  
Housing Authority of the  
County of Los Angeles  
2 Coral Circle  
Monterey Park, California 91755

Dear Commissioners:

**CONCURRENCE TO APPROVE CONSTRUCTION CONTRACT FOR  
WILLOWBROOK TOWNHOMES SITE IMPROVEMENTS AND  
REHABILITATION PROJECT (2)**

**SUBJECT:**

Approval of a construction contract (Contract) will provide for exterior site improvements and the rehabilitation of one vacant unit at the Willowbrook Townhomes housing development located at 11718-11740 Willowbrook Avenue in unincorporated Los Angeles County, and will ensure that residents have decent and safe living conditions. The Board of Commissioners approved the following actions at its May 6, 2008 meeting.

**IT IS RECOMMENDED THAT YOUR COMMISSION:**

1. Concur with the Board of Commissioners finding that the approval of a construction contract for exterior site improvements and the rehabilitation of one vacant unit at the Willowbrook Townhomes is exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Concur with the Board of Commissioners action to approve and authorize the Executive Director to execute a Contract in the amount of \$244,757, in substantially the form of the attached, and all related documents with SPEC Construction Company, Inc. to complete the site improvements and rehabilitation at the subject property, to be

effective upon the issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval.

3. Concur with the Board of Commissioners action authorizing the Executive Director to use a total of \$244,757 in General Fund Bond Fees, for the purposes described herein; and authorize the Executive Director to approve Contract change orders not exceeding \$48,951 for unforeseen project costs, using the same source of funds.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

The purpose of this action is to concur with the Board of Commissioners action awarding a Contract to complete the exterior site improvements and rehabilitation at the Willowbrook Townhomes housing development.

**FISCAL IMPACT/FINANCING:**

There is no impact on the County general fund. The Housing Authority will fund the site improvements and rehabilitation with \$244,757 in General Fund Bond Fees. A 20% contingency, in the amount of \$48,951, is also being set aside for unforeseen costs, using the same source of funds.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

The site improvements and rehabilitation project at Willowbrook Townhomes is part of the HUD-approved Five-Year Action Plan under CFP. The scope of work includes painting, roofing, flooring, concrete walkway replacement, fence installation, removal of trees, landscaping, casework and cabinetry, electrical, carpentry, and plumbing, and all associated work.

The improvements are being federally funded and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, SPEC Construction Company, Incorporated will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

The Housing Authority selected SPEC Construction Company, Inc. to complete the exterior site improvements and rehabilitation project. The Contract has been approved as to form by County Counsel and executed by SPEC Construction Company Inc.

**ENVIRONMENTAL DOCUMENTATION:**

Pursuant to Title 24 of the Code of Federal Regulations, Section 58.35 (a)(3)(ii), this action is excluded from the National Environmental Policy Act (NEPA) because it involves activities that will not alter existing environmental conditions. The action is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301 because it does not have the potential for causing a significant effect on the environment.

**CONTRACTING PROCESS:**

On March 10, 2008, the Housing Authority initiated an outreach to identify a contractor to complete the work at the subject property. Invitations for Bids were mailed to all Class B licensed contractors identified from the Housing Authority's vendor list. Advertisements also appeared in seven local newspapers and on the County WebVen website. Twenty-one bid packages were requested and distributed.

On April 3, 2008, six bids were received and formally opened. The lowest bid, submitted by SPEC Construction Company, Inc., was determined to be the most responsive and is being recommended for the Contract award. The Summary of Outreach Activities is provided as Attachment A.

**IMPACT ON CURRENT PROJECT:**

The award of the Contract will improve the exterior of the site and the interior of one unit in order to provide the residents with decent and safe living conditions.

Respectfully submitted,

  
CARLOS JACKSON  
Executive Director

Attachments: 2

## ATTACHMENT A

### Summary of Outreach Activities

#### Willowbrook Townhomes Site Improvements and Rehabilitation Project

On March 10, 2008, the following outreach was initiated to identify a contractor for the exterior site improvements and rehabilitation at the Willowbrook Townhomes Housing Development located at 11718-11740 Willowbrook Avenue in unincorporated Los Angeles County.

#### A. Newspaper Advertising

Announcements appeared in the following seven local newspapers:

Dodge Construction News	Los Angeles Sentinel
Eastern Group Publications	Los Angeles Times
International Daily News	The Daily News
La Opinion	

An announcement was also posted on the County Web Site.

#### B. Distribution of Bid Packages

The Housing Authority's vendor list was used to mail out Invitations for Bids to 518 B-licensed contractors, of which 347 identified themselves as businesses owned by minorities or women (private firms which are 51% owned by minorities or women, or publicly-owned businesses in which 51% of the stock is owned by minorities or women). As a result of the outreach, twenty bid packages were requested and distributed.

#### C. Pre-Bid Conference and Site Walk

On March 20, 2008, a mandatory pre-bid conference and site walk was conducted. Twenty-three firms were in attendance.

#### D. Bid Results

On April 3, 2008, a total of six bids were received and publicly opened. The bid result was as follows:

<u>Company</u>	<u>Bid Amount</u>
SPEC Construction Company Incorporated	\$244,757
AZ HOME Incorporated	\$273,278
OSA Group Incorporated	\$338,000
C.A.S General Contractor	\$346,900
Y&M Construction	\$348,740

CHI Construction	\$395,276
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E. Minority/Female Participation – Selected Contractor

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
SPEC Construction Company, Incorporated	Non-Minority	Total: 9 0 Minorities 2 Women 0% Minorities 22% Women

F. Minority/Female Participation – Contractors Not Selected

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
AZ HOME Incorporated	Non-Minority	Total: 13 5 Minorities 2 Women 38% Minorities 15% Women
OSA Group Incorporated	Non-Minority	Total: 6 4 Minorities 0 Women 66% Minorities 0% Women
C.A.S General Contractor	Minority	Total: 4 4 Minorities 0 Women 100% Minorities 0% Women
Y&M Construction	Non-Minority	Total: 18 13 Minorities 3 Women 72% Minorities 16% Women
CHI Construction	Non-Minority	Total: 6 4 Minorities 2 Women 66% Minorities 33% Women

The Housing Authority conducts ongoing outreach to include minorities and women in the contract award process, including providing information at local and national conferences, conducting seminars for minorities and women regarding programs and services, advertising in newspapers to invite placement on the vendor list, and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Housing Authority.

The recommended award of the contract is being made in accordance with the Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.

**Contract Summary**

**Project Name:** Willowbrook Townhomes Site Improvements and Rehabilitation Project  
**Location:** 11718-11740 Willowbrook Avenue, in Unincorporated Los Angeles County  
**Bid Number:** CDC08-394  
**Bid Date:** April 3, 2008  
**Contractor:** SPEC Construction Company, Incorporated  
**Services:** Site Improvements and the Rehabilitation of One Vacant Unit

**Contract Documents:** Part A – Instructions to Bidders and General Conditions; Part B – Specifications; Part C – Bidder's Documents, Representations, Certifications, Bid, and Other Statements of Bidder; all Addenda to the Contract Documents.

**Time of Commencement and Completion:** The work to be performed under this Contract shall be commenced within ten (10) days after a Notice to Proceed is received by the Contractor, or on the date specified in the Notice, whichever is later, and shall be completed within Sixty (60) calendar days following the required commencement date.

**Liquidated Damages:** In the event of breach of contract, the Contractor and his/her sureties shall be liable for, and shall pay to the Housing Authority the sum of **Four Hundred Dollars and Zero Cents (\$400.00)** as liquidated damages for each calendar day of delay, until the Work is accepted by the Owner.

**Contract Sum:** The Housing Authority shall pay the Contractor for the performance of the Construction Contract subject to additions and deductions by Change Order(s) as provided in the Contract Documents, in current funds, the sum of **Two Hundred Forty Four Thousand Seven Hundred Fifty Seven Dollars and Zero Cents (\$244,757.00)**. The Contract Sum is not subject to escalation, includes all labor and material increases anticipated throughout the duration of this Construction Contract.

**Contract Contingency:** \$48,951.00



**HOUSING AUTHORITY  
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**Gloria Molina**  
**Yvonne Brathwaite Burke**  
**Zev Yaroslavsky**  
**Don Knabe**  
**Michael D. Antonovich**  
*Commissioners*

**Carlos Jackson**  
*Executive Director*

May 28, 2008

Honorable Housing Commissioners  
Housing Authority of the  
County of Los Angeles  
2 Coral Circle  
Monterey Park, California 91755

Dear Commissioners:

**CONCURRENCE TO APPROVE CONSTRUCTION CONTRACT FOR FIRE ALARM  
SYSTEM REPLACEMENT AT HERBERT AVENUE SENIOR HOUSING  
DEVELOPMENT (1)**

**SUBJECT**

Approval of the construction contract (Contract) will provide for the replacement of the existing fire alarm system for improved and safe living conditions at the Herbert Avenue senior housing development located in unincorporated Los Angeles County. The Board of Commissioners approved the following actions at its May 6, 2008 meeting.

**IT IS RECOMMENDED THAT YOUR COMMISSION:**

1. Concur with the Board of Commissioners finding that the approval of a construction contract for the replacement of the existing fire alarm system at the Herbert Avenue senior housing development is exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Concur with the Board of Commissioners action to approve and authorize the Executive Director to execute a Contract in the amount of \$66,900, in substantially the form of the attached, and all related documents, with JAM Corporation (Contractor), to complete the fire alarm system replacement at the Herbert Avenue senior housing development, effective upon the issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval, and execution by all parties.





3. Concur with the Board of Commissioners action authorizing the Executive Director to use a total of \$66,900 in Capital Fund Program (CFP) funds provided by the U.S. Department of Housing and Urban Development (HUD) and included in the Housing Authority's approved Fiscal Year 2007-2008 budget, for the purposes described above.
4. Concur with the Board of Commissioners action authorizing the Executive Director to approve Contract change orders not to exceed \$16,725 for unforeseen project costs, using the same source of funds described above.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

The purpose of this action is to concur with the Board of Commissioners action awarding a Contract for fire alarm system replacement at the Herbert Avenue senior housing development.

**FISCAL IMPACT/FINANCING:**

There is no impact on the County general fund. The Housing Authority will fund the replacement project with \$66,900 in CFP funds allocated by HUD and included in the Housing Authority's approved Fiscal Year 2007-2008 budget. A 25% contingency, in the amount of \$16,725, is also being set aside for unforeseen costs using the same source of funds.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

The 46-unit Herbert Avenue senior housing development was built in 1984 and the existing fire alarm system is original to the building. The project will replace the existing outdated fire alarm system with a new and advanced fire alarm system that includes a multiplexing addressable control unit, new alarm initiating devices, new occupant notification appliances, fire sprinkler valve assembly, waterflow switch, valve position supervisory switches, exit signs and all related work.

The improvements are being federally funded, and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, DMS Construction Incorporated will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

The Housing Authority selected JAM Corporation, Incorporated to complete the fire alarm system replacement. The Contract has been approved as to form by County Counsel and executed by JAM Corporation.

**ENVIRONMENTAL DOCUMENTATION:**

Pursuant to Title 24 of the Code of Federal Regulations, Section 58.35 (a)(3)(ii), this action is excluded from the National Environmental Policy Act (NEPA) because it involves activities that will not alter existing environmental conditions. The action is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301 because it does not have the potential for causing a significant effect on the environment.

**CONTRACTING PROCESS:**


On January 16, 2008, the Housing Authority initiated an outreach. Invitations for Bids were mailed to all Class B and C-10 licensed contractors identified from the Housing Authority's vendor list. Advertisements also appeared in eight local newspapers and on the County WebVen website. Thirteen bid packages were requested and distributed.

On February 14, 2008, six bids were received and formally opened. The lowest bid, submitted by JAM Corporation, was determined to be the most responsive and is being recommended for the Contract award. The Summary of Outreach Activities is provided as Attachment A.

**IMPACT ON CURRENT PROJECT:**

The award of the Contract will replace the existing outdated fire alarm system with a new and advanced fire alarm system that will provide improved and safe living conditions at the Herbert Avenue senior housing development.

Respectfully submitted,

  
for CARLOS JACKSON  
Executive Director

Attachments: 2

## ATTACHMENT A

### Summary of Outreach Activities

#### Herbert Avenue Senior Housing Development Fire Alarm System Replacement Project

On January 16, 2008, the following outreach was initiated to identify a contractor for the fire alarm system replacement at the Herbert Avenue senior housing development, located at 133 South Herbert Avenue in unincorporated Los Angeles County.

#### A. Newspaper Advertising

Announcements appeared in the following eight local newspapers:

Dodge Construction News	Los Angeles Sentinel
Eastern Group Publications	Los Angeles Times
International Daily News	The Daily News
La Opinion	WAVE Community Newspapers

An announcement was also posted on the County Web Site.

#### B. Distribution of Bid Packages

The Housing Authority's vendor list was used to mail out Invitations for Bids to 600 B-licensed contractors, of which 514 identified themselves as businesses owned by minorities or women and to 201 C-10 licensed general electrical contractors, of which 180 identified themselves as businesses owned by minorities or women (private firms which are 51% owned by minorities or women, or publicly-owned businesses in which 51% of the stock is owned by minorities or women). As a result of the outreach, 13 bid packages were requested and distributed.

#### C. Pre-Bid Conference and Site Walk

On Jan 28, 2008, a mandatory pre-bid conference and site walk was conducted. Sixteen firms were in attendance.

#### D. Bid Results

On February 14, 2008, a total of six bids were received and publicly opened. The bid result was as follows:

<u>Company</u>	<u>Bid Amount</u>
JAM Corporation	\$66,900.00
DDR/DATALINE	\$68,672.00
Barragan Electrical	\$118,347.00

Vargus Structures, Inc.	\$159,600.00
AVA Builders, Inc.	\$228,466.35
Minako America Corporation	\$247,700.00

E. Minority/Female Participation – Selected Contractor

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
JAM Corporation	Non-Minority	Total: 119 117 Minorities 6 Women 98% Minorities 5% Women

F. Minority/Female Participation – Contractors Not Selected

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
DDR/DATALINE	Minority	Total: 13 9 Minorities 1 Woman 69% Minorities 8% Women
Barragan Electrical	Minority	Total: 2 2 Minorities 1 Woman 100% Minorities 50% Women
Vargus Structures, Inc.	Minority	Total: 11 11 Minorities 1 Woman 100% Minorities 9% Women
AVA Builders, Inc.	Non-Minority	Total: 9 2 Minorities 2 Women 22% Minorities 22% Women
Minako America Corporation	Non-Minority	Total: 42

17	Minorities
0	Women
40%	Minorities
0%	Women

The Housing Authority conducts ongoing outreach to include minorities and women in the contract award process, by providing information at local and national conferences, conducting seminars for minorities and women regarding programs and services, advertising in newspapers to invite placement on the vendor list, and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Housing Authority.

The recommended award of the contract is being made in accordance with the Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.

**Contract Summary**

**Project Name:** Herbert Avenue Senior Apartment Fire Alarm System Replacement Project  
**Location:** 133 South Herbert Avenue, in unincorporated Los Angeles County  
**Bid Number:** CDC08-332  
**Bid Date:** February 14, 2008  
**Contractor:** JAM Corporation  
**Services:** New fire alarm system and all associated work.

**Contract Documents:** Part A – Instructions to Bidders and General Conditions; Part B – Specifications & Drawings; Part C – Bidder's Documents, Representations, Certifications, Bid, and Other Statements of Bidder; all Addenda to the Contract Documents.

**Time of Commencement and Completion:** The work to be performed under this Contract shall be commenced within ten (10) days after a Notice to Proceed is received by the Contractor, or on the date specified in the Notice, whichever is later, and shall be completed within one hundred twenty (120) calendar days following the required commencement date.

**Liquidated Damages:** In the event of breach of contract, the Contractor and his/her sureties shall be liable for, and shall pay to the Housing Authority the sum of **Four Hundred Dollars and Zero Cents (\$400.00)** as liquidated damages for each calendar day of delay, until the Work is accepted by the Owner.

**Contract Sum:** The Housing Authority shall pay the Contractor for the performance of the Construction Contract subject to additions and deductions by Change Order(s) as provided in the Contract Documents, in current funds, the sum of **Sixty-six Thousand Nine Hundred Dollars and Zero Cents (\$66,900.00)**. The Contract Sum is not subject to escalation, includes all labor and material increases anticipated throughout the duration of this Construction Contract.

**Contract Contingency: \$16,725.00**



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**Gloria Molina**  
**Yvonne Brathwaite Burke**  
**Zev Yaroslavsky**  
**Don Knabe**  
**Michael D. Antonovich**  
*Commissioners*

**Carlos Jackson**  
*Executive Director*

May 28, 2008

Honorable Housing Commissioners  
Housing Authority of the  
County of Los Angeles  
2 Coral Circle  
Monterey Park, California 91755

Dear Commissioners:

**CONCURRENCE TO APPROVE CONSTRUCTION CONTRACT FOR 106<sup>TH</sup> STREET  
HOUSING DEVELOPMENT DRAINAGE IMPROVEMENTS PROJECT (2)**

**SUBJECT:**

Approval of the construction contract (Contract) will provide for drainage improvements at the 106<sup>th</sup> Street housing development located at 1100 and 1104 West 106<sup>th</sup> Street in unincorporated Los Angeles County and ensure that residents have decent and safe living conditions. The Board of Commissioners approved the following actions at its May 6, 2008 meeting.

**IT IS RECOMMENDED THAT YOUR COMMISSION:**

1. Concur with the Board of Commissioners finding that the approval of a construction contract for drainage improvements at the 106<sup>th</sup> Street housing development is exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Concur with the Board of Commissioners action to approve and authorize the Executive Director to execute a Contract in the amount of \$68,450, in substantially the form of the attached, and all related documents with Belaire-West Landscape, Inc. to complete the site drainage improvements at the subject property, to be effective following execution by all parties and the issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval.

3. Concur with the Board of Commissioners action authorizing the Executive Director to use a total of \$68,450 in Capital Fund Program (CFP) funds allocated by the U.S. Department of Housing and Urban Development (HUD) and included in the Housing Authority's approved Fiscal Year 2007-2008 budget for the purposes described herein; and authorize the Executive Director to approve Contract change orders not exceeding \$13,690 for unforeseen project costs, using the same source of funds.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

The purpose of this action is to Concur with the Board of Commissioners action awarding a Contract to complete the site drainage improvements at the 106<sup>th</sup> Street housing development.

**FISCAL IMPACT/FINANCING:**

There is no impact on the County general fund. The Housing Authority will fund the rehabilitation with \$68,450 in CFP funds allocated by HUD and included in the Housing Authority's approved Fiscal Year 2007-2008 budget. A 20% contingency, in the amount of \$13,690, is also being set aside for unforeseen costs, using the same source of funds.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

The drainage improvements project at the 106<sup>th</sup> Street housing development is part of the HUD-approved Five-Year Action Plan under CFP. The scope of work includes the replacement of new concrete paving, drains and drainage lines, sump pump and grate, and related work.

The improvements are being federally funded and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, Belaire-West Landscape, Inc. will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

The Housing Authority wishes to award the Contract to Belaire-West Landscape, Inc. to complete the site drainage improvements project. The Contract has been approved as to form by County Counsel and executed by Belaire-West Landscape Inc.



**ENVIRONMENTAL DOCUMENTATION:**

Pursuant to Title 24 of the Code of Federal Regulations, Section 58.35 (a)(3)(ii), this action is excluded from the National Environmental Policy Act (NEPA) because it involves activities that will not alter existing environmental conditions. The action is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301 because it does not have the potential for causing a significant effect on the environment.

**CONTRACTING PROCESS:**

On January 9, 2008, the Housing Authority initiated an outreach to identify a contractor to complete the work at the subject property. Invitations for Bids were mailed to all Class A licensed contractors identified from the Housing Authority's vendor list. Advertisements also appeared in seven local newspapers and on the County WebVen website. Eight bid packages were requested and distributed.

On February 21, 2008, two bids were received and formally opened. The lowest bid, submitted by Belaire-West Landscape Inc., was determined to be the most responsive and is being recommended for the Contract award. The Summary of Outreach Activities is provided as Attachment A.

**IMPACT ON CURRENT PROJECT:**

The award of the Contract will improve the drainage of the site and provide the residents with decent and safe living conditions.

Respectfully submitted,

  
for CARLOS JACKSON  
Executive Director

Attachments: 2

## ATTACHMENT A

### Summary of Outreach Activities

#### 106<sup>th</sup> Street Housing Development Drainage Improvements Project

On January 9, 2008, the following outreach was initiated to identify a contractor for the site drainage improvements at 106<sup>th</sup> Street housing development located at 1100 and 1104 West 106<sup>th</sup> Street in unincorporated Los Angeles County.

##### A. Newspaper Advertising

Announcements appeared in the following seven local newspapers:

Dodge Construction News	Los Angeles Sentinel
Eastern Group Publications	Los Angeles Times
International Daily News	The Daily News
La Opinion	

An announcement was also posted on the County Web Site.

##### B. Distribution of Bid Packages

The Housing Authority's vendor list was used to mail out Invitations for Bids to 558 A-licensed contractors, of which 326 identified themselves as businesses owned by minorities or women (private firms which are 51% owned by minorities or women, or publicly-owned businesses in which 51% of the stock is owned by minorities or women). As a result of the outreach, eight bid packages were requested and distributed.

##### C. Pre-Bid Conference and Site Walk

On January 15, 2008 a mandatory pre-bid conference and site walk was conducted. Eight firms were in attendance.

##### D. Bid Results

On February 21, 2008, a total of two bids were received and publicly opened. The bid result was as follows:

<u>Company</u>	<u>Bid Amount</u>
Belaire-West Landscape Inc.	\$ 68,450.00
Y&M Construction, Inc.	\$103,812.50

E. Minority/Female Participation – Selected Contractor

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Belaire-West Landscape, Inc.	Women Owned	Total: 48 47 Minorities 3 Women 98% Minorities 6% Women

F. Minority/Female Participation – Contractors Not Selected

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Y&M Construction, Inc.	Non-Minority	Total: 12 9 Minorities 1 Women 75% Minorities 8% Women

The Housing Authority conducts ongoing outreach to include minorities and women in the contract award process, including: providing information at local and national conferences; conducting seminars for minorities and women regarding programs and services; advertising in newspapers to invite placement on the vendor list; and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Housing Authority.

The recommended award of the contract is being made in accordance with the Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.

### **Contract Summary**

**Project Name:** 106<sup>th</sup> Street Drainage Improvements Project  
**Location:** 1100 and 1104 West 106<sup>th</sup> Street, in unincorporated Los Angeles County  
**Bid Number:** CDC08-317  
**Bid Date:** February 21, 2008  
**Contractor:** Belaire-West Landscape, Inc.  
**Services:** Regrading, concrete, drains and drainage lines

**Contract Documents:** Part A – Instructions to Bidders and General Conditions; Part B – Specifications; Part C – Bidder's Documents, Representations, Certifications, Bid, and Other Statements of Bidder; all Addenda to the Contract Documents.

**Time of Commencement and Completion:** The work to be performed under this Contract shall be commenced within ten (10) days after a Notice to Proceed is received by the Contractor, or on the date specified in the Notice, whichever is later, and shall be completed within thirty (30) calendar days following the required commencement date.

**Liquidated Damages:** In the event of breach of contract, the Contractor and his/her sureties shall be liable for, and shall pay to the Housing Authority the sum of **Four Hundred Dollars and Zero Cents (\$400.00)** as liquidated damages for each calendar day of delay, until the Work is accepted by the Owner.

**Contract Sum:** The Housing Authority shall pay the Contractor for the performance of the Construction Contract subject to additions and deductions by Change Order(s) as provided in the Contract Documents, in current funds, the sum of **Sixty Eight Thousand Four Hundred Fifty Dollars and Zero Cents (\$68,450.00)**. The Contract Sum is not subject to escalation, includes all labor and material increases anticipated throughout the duration of this Construction Contract.

**Contract Contingency: \$13,690.00**



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**Gloria Molina**  
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**Michael D. Antonovich**  
Commissioners

**Carlos Jackson**  
Executive Director

May 28, 2008

Honorable Housing Commissioners  
Housing Authority of the  
County of Los Angeles  
2 Coral Circle  
Monterey Park, California 91755

Dear Commissioners:

**CONCURRENCE TO APPROVE CONSTRUCTION CONTRACT FOR 106<sup>TH</sup> STREET  
FIRE DAMAGE REPAIR & REHABILITATION PROJECT (2)**

**SUBJECT:**

Approval of the construction contract (Contract) will provide for fire damage repair and rehabilitation at the 106<sup>th</sup> Street housing development located at 1334-1338½ W. 106<sup>th</sup> Street, in unincorporated Los Angeles County, and ensure that residents have decent and safe living conditions. The Board of Commissioners approved the following actions at its May 6, 2008 meeting.

**IT IS RECOMMENDED THAT YOUR COMMISSION:**

1. Concur with the Board of Commissioners finding that the approval of a construction contract for fire damage repair and rehabilitation at the 106<sup>th</sup> Street housing development is exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Concur with the Board of Commissioners action to approve and authorize the Executive Director to execute a Contract in the amount of \$293,800, in substantially the form of the attached, and all related documents with C.A.S. General Contractor, to complete the fire damage repair and rehabilitation at the subject property; to be effective upon the issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval.



3. Concur with the Board of Commissioners action authorizing the Executive Director to use a total of \$217,982 in Capital Fund Program (CFP) funds provided by the U.S. Department of Housing and Urban Development (HUD) and included in the Housing Authority's approved Fiscal Year 2007-2008 budget, for the purposes described herein.
4. Concur with the Board of Commissioners action authorizing the Executive Director to approve Contract change orders not exceeding \$29,380 for unforeseen project costs, using CFP funds.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

The purpose of this action is to concur with the Board of Commissioners action awarding a Contract to complete the fire damage repair and rehabilitation at the 106<sup>th</sup> Street housing development.

**FISCAL IMPACT/FINANCING:**

There is no impact on the County general fund. The project will cost a total of \$293,800. The Housing Authority will provide \$217,982 in CFP funds allocated by HUD and included in the Housing Authority's approved Fiscal Year 2007-2008 budget, and McLarens Young International will provide \$75,818 in insurance reimbursement funds. A 10% contingency, in the amount of \$29,380, is also being set aside for unforeseen costs, using CFP funds.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

The fire damage repair and rehabilitation project at the 106<sup>th</sup> Street housing development is part of the HUD-approved Five-Year Action Plan under CFP. The scope of work includes plumbing, electrical, painting, roofing, carpentry, cabinetry, and flooring and associated work.

The improvements are being federally funded and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, C.A.S. General Contractor will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

The Housing Authority wishes to award the Contract to C.A.S. General Contractor to complete the fire damage repair and rehabilitation project. The Contract has been approved as to form by County Counsel and executed by C.A.S. General Contractor.

**ENVIRONMENTAL DOCUMENTATION:**

Pursuant to Title 24 of the Code of Federal Regulations, Section 58.35 (a)(3)(ii), this action is excluded from the National Environmental Policy Act (NEPA) because it involves activities that will not alter existing environmental conditions. The action is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301 because it does not have the potential for causing a significant effect on the environment.

**CONTRACTING PROCESS:**


On December 12, 2007, the Housing Authority initiated an outreach to identify a contractor to complete the work at the subject property. Invitations for Bids were mailed to all Class B licensed contractors identified from the Housing Authority's vendor list. Advertisements also appeared in seven local newspapers and on the County WebVen website. Nineteen bid packages were requested and distributed.

On January 31, 2008, eight bids were received and formally opened. The lowest bid, submitted by Santos Construction, was determined to be non-responsive because the firm was unable to meet the minimum requirement of three references with successful completion of at least three residential rehabilitation projects within California, in excess of \$250,000, within the last five years. Santos Construction listed two references that did not meet the minimum requirements. The second-lowest bid, submitted by C.A.S General Contractor, was determined to be the most responsive and is being recommended for the Contract award. The Summary of Outreach Activities is provided as Attachment A.

**IMPACT ON CURRENT PROJECT:**

The award of the Contract will provide for fire damage repair and rehabilitation of the site in order to provide the residents with decent and safe living conditions.

Respectfully submitted,

  
for CARLOS JACKSON  
Executive Director

Attachments: 2

## ATTACHMENT A

### Summary of Outreach Activities

#### 106<sup>th</sup> Street Fire Damage Repair and Rehabilitation Project

On December 12, 2007, the following outreach was initiated to identify a contractor for the fire damage repair and rehabilitation at the 106<sup>th</sup> Street housing development located at 1334-1338 1/2 W. 106<sup>th</sup> Street, in unincorporated Los Angeles County.

#### A. Newspaper Advertising

Announcements appeared in the following eight local newspapers:

Dodge Construction News	Los Angeles Sentinel
Eastern Group Publications	Los Angeles Times
International Daily News	The Daily News
La Opinion	Wave Community Newspapers

An announcement was also posted on the County Web Site.

#### B. Distribution of Bid Packages

The Housing Authority's vendor list was used to mail out Invitations for Bids to 518 B-licensed contractors, of which 347 identified themselves as businesses owned by minorities or women (private firms which are 51% owned by minorities or women, or publicly-owned businesses in which 51% of the stock is owned by minorities or women). As a result of the outreach, ten bid packages were requested and distributed.

#### C. Pre-Bid Conference and Site Walk

On December 27, 2007 and January 10, 2008, mandatory pre-bid conferences and site walks were conducted. Twenty-two firms were in attendance at both pre-bid conferences.

#### D. Bid Results

On January 31, 2008, a total of eight bids were received and publicly opened. The bid result was as follows:

<u>Company</u>	<u>Bid Amount</u>
Santos Construction	\$229,825
C.A.S General Contractor	\$293,800
AZ HOME Incorporated	\$322,130



Union Construction Company	\$401,064
Sunrise Construction Incorporated	\$528,068
CA Construction	\$555,162
Tek-Up Construction Incorporated	\$579,324
CHI Construction	\$580,125

E. Minority/Female Participation – Selected Contractor

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
C.A.S General Contractor	Minority	Total: 4 4 Minorities 0 Women 100% Minorities 0% Women

F. Minority/Female Participation – Contractors Not Selected

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Santos Construction	Minority	Total: 4 4 Minorities 1 Women 100% Minorities 25% Women
AZ HOME Inc.	Non-Minority	Total: 12 5 Minorities 2 Women 42% Minorities 17% Women
Union Construction Co.	Minority	Total: 4 4 Minorities 0 Women 100% Minorities 0% Women
Sunrise Construction Inc.	Minority	Total: 27 20 Minorities 7 Women 74% Minorities 25% Women

CA Construction	Minority	Total: 20 20 Minorities 3 Women 100% Minorities 15% Women
Tek-Up Construction Inc.	Non-Minority	Total: 3 1 Minorities 1 Women 33% Minorities 33% Women
CHI Construction	Non-Minority	Total: 6 4 Minorities 2 Women 66% Minorities 33% Women

The Housing Authority conducts ongoing outreach to include minorities and women in the contract award process, including providing information at local and national conferences, conducting seminars for minorities and women regarding programs and services, advertising in newspapers to invite placement on the vendor list, and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Housing Authority.

The recommended award of the contract is being made in accordance with the Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.

**Contract Summary**

**Project Name:** 106<sup>th</sup> Street Fire Damage Repair & Rehabilitation Project  
**Location:** 1334-1338 ½ W. 106<sup>th</sup> Street, in unincorporated Los Angeles Co.  
**Bid Number:** CDC07-256  
**Bid Date:** January 31, 2008  
**Contractor:** C.A.S. General Contractor  
**Services:** Fire Damage Repair and Rehabilitation

**Contract Documents:** Part A – Instructions to Bidders and General Conditions; Part B – Specifications; Part C – Bidder's Documents, Representations, Certifications, Bid, and Other Statements of Bidder; all Addenda to the Contract Documents.

**Time of Commencement and Completion:** The work to be performed under this Contract shall be commenced within ten (10) days after a Notice to Proceed is received by the Contractor, or on the date specified in the Notice, whichever is later, and shall be completed within One-Hundred Eighty (180) calendar days following the required commencement date.

**Liquidated Damages:** In the event of breach of contract, the Contractor and his/her sureties shall be liable for, and shall pay to the Housing Authority the sum of **Four Hundred Dollars and Zero Cents (\$400.00)** as liquidated damages for each calendar day of delay, until the Work is accepted by the Owner.

**Contract Sum:** The Housing Authority shall pay the Contractor for the performance of the Construction Contract subject to additions and deductions by Change Order(s) as provided in the Contract Documents, in current funds, the sum of **Two Hundred Ninety Three Thousand Eight Hundred Dollars and Zero Cents (\$293,800.00)**. The Contract Sum is not subject to escalation, includes all labor and material increases anticipated throughout the duration of this Construction Contract.

**Contract Contingency:** \$29,380.00



**HOUSING AUTHORITY  
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755

323.890.7001 • TTY: 323.838.7449 • [www.lacdc.org](http://www.lacdc.org)



**Gloria Molina**  
**Yvonne Brathwaite Burke**  
**Zev Yaroslavsky**  
**Don Knabe**  
**Michael D. Antonovich**  
*Commissioners*

**Carlos Jackson**  
*Executive Director*

May 28, 2008

Honorable Housing Commissioners  
Housing Authority of the  
County of Los Angeles  
2 Coral Circle  
Monterey Park, California 91755

Dear Commissioners:

**APPROVE PURCHASE OF PROPERTY INSURANCE, EXCESS WORKERS'  
COMPENSATION AND EXCESS GENERAL AND AUTOMOBILE LIABILITY  
INSURANCE FOR THE HOUSING AUTHORITY (ALL DISTRICTS)**

**SUBJECT:**

This letter requests approval for the purchase of property insurance, excess workers' compensation insurance, and excess general and automobile liability insurance for the Community Development Commission and the Housing Authority.

**IT IS RECOMMENDED THAT YOUR COMMISSION:**

1. Recommend that the Board of Commissioners find that the purchase of property insurance, excess workers' compensation insurance and excess general and automobile liability insurance is not subject to the provisions of the California Environmental Quality Act, as described herein, because the action will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve the combined purchase, with the Community Development Commission, of property insurance, excess workers' compensation insurance and excess general and automobile liability insurance, at a premium cost of approximately \$800,000 for the period from July 1, 2008 to June 30, 2009, through Alliant Insurance Services, Inc.

3. Recommend that the Board of Commissioners authorize the Executive Director to purchase the property insurance, excess workers' compensation insurance and excess general and automobile liability insurance and to make payments, as needed, for workers' compensation and general liability claims, using funds approved in the Fiscal Year 2008-2009 budget.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

The purpose of this action is to purchase property insurance, excess workers' compensation insurance and excess general and automobile liability insurance for the Community Development Commission and the Housing Authority under Joint Purchase Programs created by Alliant Insurance Services, Inc. The proposed purchase will provide required excess coverage above the Commission and Housing Authority's self-insured retentions.

**FISCAL IMPACT/FINANCING:**

There is no impact on the County general fund. The total approximate annual premium cost of \$800,000 will be paid from funds approved in the Fiscal Year 2008-2009 budgets of the Commission and the Housing Authority.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

On May 25, 1993, the Board of Supervisors approved the Commission and Housing Authority's participation in a Joint Purchase Program provided by Robert F. Driver Company, now known as Alliant Insurance Services, Inc. The property, excess workers' compensation and excess liability and automobile insurance programs combine the purchasing power of public agencies to obtain insurance at rates below those available individually. Programs are underwritten by numerous insurance carriers, which are all rated "A" Superior to Excellent by Best's Key Rating Guide. There is no sharing of limits or risk, and each participant is protected to the same extent as if separate policies had been written, with the exception of the excess workers' compensation insurance.

The Fiscal Year 2007-2008 budgeted amount for insurance coverage was \$805,000, and the actual premium for insurance coverage was \$608,897, which included property, excess workers' compensation and excess general and automobile liability insurance. Coverage under the Joint Purchase Program, again provided by Alliant Insurance Services Inc, will be at an estimated annual cost not to exceed \$800,000. The amount budgeted for the Fiscal Year 2008-2009 premium is constant with the amount budgeted for the Fiscal Year 2007-2008 premium due to continued price stabilization in the insurance market.

Few carriers meeting the Commission and the Housing Authority's rating requirements are prepared to offer coverage as broad as this program, which includes coverage from employment practice liability and employee benefits liability. These items, which are usually purchased separately for an additional premium, are included as part of the master policy.

Alliant Insurance Services, Inc. is unable to provide a substantial premium estimate until mid-June; however, if needed, Alliant Insurance Services will provide coverage between the effective date of July 1, 2008 and the date of Board approval.

Ten to fifteen percent of the premium will be paid to Alliant Insurance Services, Inc. as a broker fee, in accordance with industry standards.


**ENVIRONMENTAL DOCUMENTATION:**

The purchase of property insurance, excess workers' compensation insurance and excess general and automobile liability insurance is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34(a)(3) because it involves administrative activities that will not have a physical impact or result in any physical changes to the environment. The action is not subject to the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines 15060(c)(3) and 15378 because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

**IMPACT ON CURRENT SERVICES:**

The proposed insurance will provide all the required coverage for Commission and Housing Authority properties and activities.

Respectfully submitted,

  
for CARLOS JACKSON  
Executive Director



**HOUSING AUTHORITY  
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755  
323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



**Gloria Molina**  
**Yvonne Brathwaite Burke**  
**Zev Yaroslavsky**  
**Don Knabe**  
**Michael D. Antonovich**  
Commissioners

**Carlos Jackson**  
Executive Director

May 28, 2008

Honorable Housing Commissioners  
Housing Authority of the  
County of Los Angeles  
2 Coral Circle  
Monterey Park, California 91755

Dear Commissioners:

**APPROVE THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES  
FISCAL YEAR 2008-2009 BUDGET**

**SUBJECT**

This letter requests that your Board approve the Fiscal Year 2008-2009 Budget of the Housing Authority. The U.S. Department of Housing and Urban Development requires that the Board of Commissioners approve the Fiscal Year 2008-2009 Budget for continued operation of the Assisted Housing Division, Housing Management Division, and eight residential and community assistance programs.

**IT IS REQUESTED THAT YOUR COMMISSION:**

1. Recommend that the Board of Commissioners adopt and sign a Resolution (Attachment A) approving the Housing Authority of the County of Los Angeles (Housing Authority) Fiscal Year 2008-2009 Budget (Budget), which includes revenues and expenditures of \$294,058,500.
2. Recommend that the Chair of the Board of Commissioners sign the related Transmittal Resolution (Attachment B) certifying submission of the budget by the Board to the U.S. Department of Housing and Urban Development (HUD).
3. Recommend that the Board of Commissioners adopt and sign a Resolution (Attachment C) approving the cost allocation model developed in conjunction with the Housing Authority's outside auditors, Klynveld Peat Marwick Goerdeler (KPMG) in April 2002.

4. Recommend that the Board of Commissioners approve amendment of the Housing Authority's Monthly Salary Schedule (Attachment D), to incorporate a 5% adjustment of the top of the salary ranges for all classifications and levels, effective July 1, 2008.
5. Recommend that the Board of Commissioners instruct the Executive Director to implement the Budget and take all related actions, including execution of all required documents, for the purposes described herein, following approval as to form by County Counsel.
6. Recommend that the Board of Commissioners find that the approval of the Budget is not subject to the California Environmental Quality Act (CEQA), as described herein, because the activities are not defined as a project under CEQA.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

The purpose of this action is to approve the Fiscal Year 2008-2009 Budget of the Housing Authority. HUD requires that the Board of Commissioners approve the Fiscal Year 2008-2009 Budget prior to the release of funds for continued operation of the Assisted Housing Division, Housing Management Division, and eight residential and community assistance programs.

The Housing Authority must receive formal approval annually for its cost allocation plan that was developed in 2002 by KPMG, its auditors at the time. The details of the allocation plan were previously submitted to your Board in May 2007, and subsequently approved in June 2007. The allocation methodology remains the same for Fiscal Year 2008-2009.

On July 1, 2007, the Housing Authority implemented a 5% general salary adjustment for all employees, which was approved at 10% over the next three years. Due to budgetary constraints, the decision was made not to adjust the bottom and top of the salary ranges by the same percentage at that time. Following consultation with the Chief Executive Office, the Housing Authority is requesting to increase the top of the range by 5% for each classification to stay marketable and reduce compression at the top of the salary ranges. However, due to fiscal constraints, there will be no general salary adjustments for Housing Authority employees in Fiscal Year 2008-2009. The Housing Authority is forgoing the general salary adjustments this year in order to retain merit increases based on job performance.

**FISCAL IMPACT/FINANCING:**

The Housing Authority's Fiscal Year 2008-2009 Budget includes a request to the Chief Executive Office for \$430,000 in County General Funds to support the University of



California Cooperative Extension Program (Cooperative Extension). The proposed Housing Authority Fiscal Year 2008-2009 Budget is \$294,058,500, a \$7,938,500 increase over Fiscal Year 2007-2008. This increase is primarily due to the increased activity in tax increment funds from the City of Industry for the development of housing for low-income individuals, families, and special needs populations, an increase in capital funds for the upgrade of Housing Authority-owned public housing, and new Condo Conversion activity for two projects in development for Coteau III and Casa Dominguez.

The following table compares funding levels for Fiscal Years 2007-2008 and 2008-2009.

Housing Authority	2007-2008 Budget	2008-2009 Budget
<b>Divisions</b>		
Assisted Housing – Section 8 Rental Assistance	\$ 231,433,000	\$ 232,588,700
Housing Management – Public Housing	\$ 31,927,900	\$ 30,815,200
Housing Management – Public Housing Modernization	\$ 8,707,400	\$ 10,204,900
<b>Other Programs</b>		
Telemedicine	\$ 120,000	\$ 117,000
Cooperative Extension	\$ 460,000	\$ 430,000
Youth in Focus	\$ 138,100	\$ 62,500
Fraud Investigation Unit	\$ 816,400	\$ 1,019,700
Office of Community and Educational Partnerships	\$ 1,867,600	\$ 2,057,500
City of Industry – Tax Increment	\$ 9,011,600	\$ 13,860,800
Condo Conversion	\$ 0	\$ 1,287,500
Traffic Violator School Monitoring	\$ 1,638,000	\$ 1,614,700
<b>TOTAL</b>	\$ 286,120,000	\$ 294,058,500
<b>Staffing</b>		
Regular Staff	288.33	290.76
Contract Staff	96.27	88.17
<b>TOTAL</b>	384.60	378.93

#### Assisted Housing Division

During Fiscal Year 2008-2009, the Assisted Housing Division will administer a total of \$232,588,700 to provide rental assistance to approximately 23,250 low- and very low-income families and seniors. This is an increase of \$1,155,700 over Fiscal Year 2007-2008, and reflects the Housing Authority's increased lease-up rates anticipated for Fiscal Year 2008-2009.

#### Housing Management Division

The Housing Management Division manages and maintains 3,636 housing units and provides resident services such as computer centers, programs for youth, after-school homework assistance and counseling services.

Based on a new HUD requirement, all Public Housing Authorities (PHAs) must convert to site-based budgeting no later than September 1, 2011. The purpose for site-based budgeting is to encourage PHAs to foster accountability at the site level consistent with the private sector. Under new regulations, HUD will limit the administrative/overhead cost to a predetermined monthly management fee. The fee-for-service concept associated with the central office must be reasonable and in line with current market rates.

The Housing Management Division has implemented site-based budgeting beginning with the fourth quarter of Fiscal Year 2006-2007. On April 11, 2007, the Housing Authority submitted a stop-loss application kit to HUD, which was subsequently approved on December 14, 2007 following an on-site review in October. The submission kit and all accompanying documentation demonstrate successful conversion to asset management, and will limit the reduction in future subsidy at a maximum of a 5% loss.

During Fiscal Year 2008-2009, the Housing Management Division will administer a total of \$30,815,200, which includes funds from HUD, public housing rent revenue, and other sources. The Budget reflects a decrease of \$1,112,700 from Fiscal Year 2007-2008, and is comprised primarily of decrease in salaries due to position reductions and less capital outlay due to completion of projects. CDBG funds will be used for public housing improvements and resident services. The total CDBG allocation for Fiscal Year 2008-2009 is comprised of \$1,737,704 carried over from Fiscal Year 2007-2008, and the new allocation amount of \$2,008,511.

The Housing Management Division also administers the Public Housing Modernization Program, which provides continuous upgrading of Housing Authority-owned public housing sites. The Modernization Program total budget includes \$5,443,800 in funds carried over from previous years and \$4,761,100 in funds from the Fiscal Year 2008-2009 allocation.

### Other Programs

Housing Authority programs also include the Cooperative Extension, Youth in Focus, Office of Community and Educational Partnerships, Telemedicine, Traffic Violator School Monitoring (TVSM) programs, and Fraud Investigations Unit. These programs provide services to residents of Los Angeles County, including youth, adults, and seniors living in public housing sites.

The Cooperative Extension program, administered by the University of California, provides educational opportunities ranging from nutrition and job readiness to literature and growing food and plants. Their budget is funded with \$430,000 in County General Funds.

The Youth in Focus budget of \$62,500 is comprised of CDBG funds which allow it to continue its successful program of teaching the basics of photography to public housing site youth through classroom sessions and field trips.

OCEP continues to look at ways to maximize its services and has partnered with local colleges. Through its educational partnerships, interns and college students provide assistance and support to enhance resident services programs operated at its Housing Sites. The budget of \$2,057,500 is comprised of CDBG funds, other grants and Community Development Commission (Commission) General Funds.

The \$117,000 budgeted for the Telemedicine program provides for medical services, immunizations and workshops to promote health awareness at the Mary Henry Telemedicine Center and is funded by CDBG.

The TVSM program works in cooperation with the Los Angeles County Superior Court, California Department of Motor Vehicles, and the Los Angeles County Sheriff's Department. TVSM ensures that 161 traffic violator schools and 82 Internet and home study courses operating within the County are in compliance with all applicable municipal, state, and federal codes. In addition, the TVSM program provides employment opportunities to participants from public housing, Section 8, and the Department of Public Social Services' Back-to-Work program recipients. The Fiscal Year 2008-2009 budget of \$1,614,700 is funded entirely by Superior Court proceeds.

The Fraud Investigations Unit works closely with the administrative staff of the Section 8 and the public housing programs to ensure that tenants are complying with various federal regulations and local laws. Investigators respond to allegations against tenants suspected of failing to report income or housing of persons who are not on the lease. Investigators also work with local law enforcement to remove families whose conduct threatens the health or safety of others, or their right to the peaceful enjoyment of their premises, due to criminal activity. The Fiscal Year 2008-2009 budget of \$1,019,700 is

funded by revenues recovered from the fraud investigations unit and Section 8 administrative funds.

As required under California Government Code section 65584.3, the Housing Authority receives allocations of tax increment funds from the City of Industry to develop housing for low-income individuals, families, and special needs populations. These funds, budgeted at \$13,860,800, are allocated to the Housing Authority and are included in its Budget, but are administered by the Commission, which also serves as the redevelopment agency for the County of Los Angeles.

The Housing Authority is planning to utilize Condo Conversion Fees received in prior years for two development projects for Casa Dominguez and Coteau III.

#### Housing Authority Staff

Regular staff will increase by 2.43 positions and contract staff will decrease by 8.10 positions due to internal transfers and funding reductions.

A breakdown of staff information, by program, is provided in Attachment E.

#### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

HUD requires that the Board of Commissioners adopt a Resolution approving the Housing Authority budget for administration of Housing Authority programs. The Resolution has been approved as to form by County Counsel.

The Resolution approving the Fiscal Year 2008-2009 budget and related HUD Transmittal Resolution are provided as Attachments A and B, respectively. The Resolution for adopting the cost allocation policy is provided as Attachment C. The Housing Authority's proposed amended salary schedule is provided as Attachment D. Published Budget Pages, detailing goals and objectives, and related expenditures for the upcoming year are provided as Attachment E.

#### **ENVIRONMENTAL DOCUMENTATION:**

Approval of the Housing Authority's Fiscal Year 2008-2009 Budget is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3) because it involves administrative activities that will not have a physical impact or result in any physical changes to the environment. The activities are not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378(b) because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

Honorable Housing Commissioners  
May 28, 2008  
Page 7

**IMPACT ON CURRENT SERVICES:**

Approval of the Fiscal Year 2008-2009 Budget of the Housing Authority will enable housing programs to continue for low- and very low-income families and seniors.

Respectfully submitted,

  
for CARLOS JACKSON  
Executive Director

Attachments: 5

RESOLUTION APPROVING THE FISCAL YEAR 2008-2009  
BUDGET OF THE HOUSING AUTHORITY OF THE  
COUNTY OF LOS ANGELES

WHEREAS, the Board of Commissioners of the Housing Authority of the County of Los Angeles has received the Budget for Fiscal Year 2008-2009 and has found:

1. That the proposed expenditures are necessary for the efficient and economical operation of housing programs for the purpose of serving low-income families.
2. That the budget is reasonable in that:
  - (a) It indicates a source of funding adequate to cover all proposed expenditures.
  - (b) It does not provide for use of federal funding in excess of that payable under the provisions of 24 Code of Federal Regulations Section 990.
3. That all proposed rental charges and expenditures will be consistent with provisions of law and the Annual Contributions Contracts with the U.S. Department of Housing and Urban Development.
4. That no employee serving in a variety of positions is reflected in the operating budget as serving an aggregate amount of time exceeding 100 percent.
5. That the U.S. Department of Housing and Urban Development requires that the use of Section 8 Operating Reserve funds for other housing purposes, in the amount of \$50,000 or greater, must be approved by the Board of Commissioners.

WHEREAS, it is necessary for the Board of Commissioners of the Housing Authority of the County of Los Angeles to adopt an annual budget.

NOW, THEREFORE, the Board of Commissioners of the Housing Authority of the County of Los Angeles hereby resolves as follows:

1. The above recitals are true and correct.
2. The Housing Authority of the County of Los Angeles adopts the following budgeted revenues and appropriations for Fiscal Year 2008-2009, as set forth in the Annual Budget for the Housing Authority of the County of Los Angeles:

Estimated Funding \$294,058,500

Expenditure and Reserve Appropriations: \$294,058,500

3. That the use of Section 8 Operating Reserve funds for other housing purposes, in the amount of \$50,000 or greater, must be approved by the Board of Commissioners.
4. This Resolution shall take effect immediately.

APPROVED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of Los Angeles on this \_\_\_\_ day of \_\_\_\_\_, 2008.

ATTEST:

SACHI A. HAMAI  
Executive Officer-Clerk of  
the Board of Commissioners

By: \_\_\_\_\_  
Deputy

By: \_\_\_\_\_  
Chair of the Board of  
Commissioners

APPROVED AS TO FORM:  
RAYMOND G. FORTNER, JR.  
County Counsel

By: \_\_\_\_\_  
Deputy

## ATTACHMENT B

**PHA Board Resolution**  
 Approving Operating Budget

 U.S. Department of Housing  
 and Urban Development  
 Office of Public and Indian Housing -  
 Real Estate Assessment Center (PIH-REAC)

 OMB No. 2577-0026  
 (exp. 10/31/2009)

Public reporting burden for this collection of information is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

 PHA Name: Housing Authority of the County of Los Angeles PHA Code: CA002

 PHA Fiscal Year Beginning: July 1, 2008 Board Resolution Number: A-1

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

DATE

- ☒ Operating Budget approved by Board resolution on: 06/04/2008
- ☐ Operating Budget submitted to HUD, if applicable, on: \_\_\_\_\_
- ☐ Operating Budget revision approved by Board resolution on: \_\_\_\_\_
- ☐ Operating Budget revision submitted to HUD, if applicable, on: \_\_\_\_\_

I certify on behalf of the above-named PHA that:

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, is true and accurate.

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012.31, U.S.C. 3729 and 3802)

Print Board Chairperson's Name:	Signature:	Date:
Yvonne Brathwaite Burke, Chair		06/04/2008



RESOLUTION APPROVING THE FISCAL YEAR 2008-2009  
COST ALLOCATION PLAN OF THE HOUSING AUTHORITY OF THE  
COUNTY OF LOS ANGELES

WHEREAS, the Board of Commissioners of the Housing Authority of the County of Los Angeles has received the Cost Allocation Plan for Fiscal Year 2008-2009 and has found:

1. That the proposed cost allocation plan is a reasonable and supportable methodology of allocating centralized administration costs to housing and/or development programs.
2. That the proposed cost allocation plan will be consistent with cost principles set forth in the Office of Management & Budget (OMB) Circular A-87, Cost Principles for State, Local and Indian Tribal Governments and other generally applied cost allocation methods.

WHEREAS, it is necessary for the Board of Commissioners of the Housing Authority of the County of Los Angeles to adopt a cost allocation plan.

NOW, THEREFORE, the Board of Commissioners of the Housing Authority of the County of Los Angeles, hereby resolves as follows:

1. The above recitals are true and correct.
2. The Housing Authority of the County of Los Angeles adopts the following cost allocation plan.
3. The U.S. Department of Housing and Urban Development (HUD) requires that a cost allocation plan be formally adopted by the governing body.
4. This resolution shall take effect immediately following Board approval and will be effective until a major change is made in the methodology, whereas the new cost allocation plan will be submitted for approval by the governing body.

APPROVED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of Los Angeles on the \_\_\_\_\_ day of \_\_\_\_\_, 2008.

ATTEST:

SACHI A. HAMAI  
Executive Officer – Clerk of  
The Board of Commissioners

By: \_\_\_\_\_  
Deputy

By: \_\_\_\_\_  
Chair of the Board of  
Commissioners

APPROVED AS TO FORM:  
RAYMOND G. FORTNER, JR.  
County Counsel

By: \_\_\_\_\_  
Deputy

**COMMUNITY DEVELOPMENT COMMISSION  
HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES  
MONTHLY SALARY SCHEDULE  
EFFECTIVE JULY 1, 2008**

CLASSIFICATION	LEVEL I		LEVEL II		LEVEL III		LEVEL IV		LEVEL V		LEVEL VI	
MAINTENANCE WORKER	2467	3237	2846	3886	3564	4866	3922	5353	4314	5888	5130	7271
	3266	4287	3629	5143	4355	6174	5380	7625	5709	8394		
	3220	4396	3530	4818	4225	7098	6370	8022	6810	8939		
PROGRAM SPECIALIST	2772	3638	3081	4368	3697	5241	4277	6288				
ARCHITECT/ENG. SPECIALIST	4128	5417	4586	6500	5502	7799	6367	9361				
ACCOUNTANT	3248	4262	3609	5116	4331	6138	4921	7235				
ANALYST	3735	4901	4150	5883	4981	7059	5659	8320				
EXECUTIVE ASSISTANT	3430	4863	3670	5203	3927	5566	4202	5956				
ACCOUNTING TECHNICIAN	2239	2939	2488	3528	2879	4232						
OFFICE ASSISTANT	1832	2405	2024	2869	2489	3658						
TRAINEE	1387	1820	1485	2275	1635	2548						
ADMINISTRATIVE ASSISTANT	2885	4090	3206	4544								
CONSULTANT	5574	8192	5908	9013								
MANAGER	6775	9248	7549	11096								
RESIDENT MANAGER	1404	2655	1544	2921								
DIRECTOR	8666	12740										
ASSISTANT EXECUTIVE DIR.	9534	14018										

Ranges will be adjusted to conform with minimum wage as required by Federal or State law.

Ranges will be adjusted to conform with minimum wage as required by Federal or State law.

## ATTACHMENT E

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**Program:** Assisted Housing  
**Division:** Assisted Housing

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**MISSION:**

Provide rental assistance services to low-income families in a professional manner and in an atmosphere of care and respect for all clients.

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**MAJOR OBJECTIVES FOR FY 2008-09:**

1. Maintain 95% or higher lease-up rate based on the funding allocations or number of vouchers.
2. Receive a Standard Performer or higher rating under the Section 8 Management Assessment Program (SEMAP).
3. Every month, maintain a 95% reporting rate under the Public and Indian Housing Information Center (formerly MTCS).
4. Respond to 97% of written public inquiries within ten working days.
5. Inspect 90% of initial contract units within seven working days of receipt of the Request for Tenancy Approval.
6. Issue 98% of available vouchers continuously, based on number of units authorized and available funding.
7. Continue to provide ongoing owner and tenant workshops at least once every quarter.
8. Increase enrollment in Family Self-Sufficiency by 50%.

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**PROGRAM BUDGET INFORMATION:**

	2007-08 BUDGET	2007-08 ESTIMATE	2008-09 BUDGET
Salary and Benefits	\$12,555,800	\$12,281,100	\$12,120,300
Non-Personal Services	\$6,302,400	\$8,406,300	\$7,883,900
Subventions	\$210,359,000	\$208,636,000	\$210,636,000
Capital Outlay	\$470,000	\$205,000	\$0
Transfers	\$1,745,800	\$1,862,400	\$1,948,500
<b>TOTAL</b>	<b>\$231,433,000</b>	<b>\$231,390,800</b>	<b>\$232,588,700</b>
Number of Regular Employees	156.00	154.67	156.00
Number of Contract Employees	38.90	34.40	29.80

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**Program:** Housing Management  
**Division:** Housing Management

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**MISSION:**

To effectively generate and utilize the resources of the Housing Authority to provide quality affordable housing and expand opportunities to improve the quality of life in housing developments through the involvement of employees, residents and community partners.

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**MAJOR OBJECTIVES FOR FY 2008-09:**

1. Average an annual occupancy rate of 98% and limit unit turnaround time to 30 days.
2. Complete 100% of emergency work orders within 24 hours and non-emergency work orders within two working days.
3. Complete 100% of annual recertifications and 100% inspections of dwelling units.
4. Continue Crime and Safety Program activities throughout Los Angeles County.
5. Expand Closed Circuit Television (CCTV) installation to five additional housing developments.
6. Continue JJCPA Program at five housing developments.
7. Have 450 residents participate in the Family Resource Centers.
8. Collect 98% of Tenant Accounts Receivables.

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**PROGRAM BUDGET INFORMATION:**

	2007-08 BUDGET	2007-08 ESTIMATE	2008-09 BUDGET
Salary and Benefits	\$9,911,500	\$8,993,700	\$9,678,400
Non-Personal Services	\$13,213,500	\$13,285,000	\$13,846,800
Restricted Fund	\$744,300	\$2,123,400	\$262,400
Subventions	\$0	\$0	\$0
Capital Outlay	\$6,008,800	\$1,828,400	\$5,164,400
Transfers	\$2,049,800	\$1,772,400	\$1,863,200
<b>TOTAL</b>	<b>\$31,927,900</b>	<b>\$28,002,900</b>	<b>\$30,815,200</b>
Number of Regular Employees	105.00	102.20	103.30
Number of Contract Employees	44.00	39.00	43.00

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**Program:** Public Housing Modernization  
**Division:** Housing Management

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**MISSION:**

Provide for the renovation and modernization of public housing owned by the Housing Authority.

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**MAJOR OBJECTIVES FOR FY 2008-09:**

1. Update and submit the Five-Year Action Plan and Annual Statement to HUD for the 2008 Capital Fund Program (CFP).
2. Ensure all target dates for the obligation and expenditure of funds are met, or revisions to the deadlines are submitted timely and approved by HUD.
3. Ensure timely submission of amendments to HUD for changes in the approved CFP funding activity, which cumulatively will involve more than 10% of the Annual Grant.
4. Complete 22 construction contracts at 17 housing sites, and close out two Capital Fund Programs for the agency.
5. Conduct two resident meetings in preparation for submitting the Annual Statement and the 5-year Plan to HUD.

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**PROGRAM BUDGET INFORMATION:**

	<u>2007-08 BUDGET</u>	<u>2007-08 ESTIMATE</u>	<u>2008-09 BUDGET</u>
Salary and Benefits	\$0	\$395,300	\$202,000
Non-Personal Services	\$107,900	\$345,500	\$678,000
Subventions	\$0	\$0	\$0
Capital Outlay	\$8,599,500	\$3,693,300	\$9,019,400
Transfers	\$0	\$288,000	\$305,500
<b>TOTAL</b>	<u>\$8,707,400</u>	<u>\$4,722,100</u>	<u>\$10,204,900</u>
Number of Regular Employees	0.00	1.80	1.70
Number of Contract Employees	0.00	0.00	0.00

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**Program:** Telemedicine  
**Division:** Office of Executive Management

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**MISSION:**

To improve access to health care, the CDC partners with the Wilmington Community Clinic to operate the Mary B. Henry Telemedicine Clinic in the South Los Angeles area. A clinical relationship also exists with the Charles R. Drew University of Medicine and Science. Using advanced telecommunications technology, doctors at Charles R. Drew University examine patients miles away at the hospital. The Mary B. Henry Telemedicine Clinic provides children with early diagnosis and treatment of asthma, immunization outreach, developmental screening, anemia and sickle cell screening, lead level testing and monitoring of other pediatric illnesses. The Center also provides breast examinations. The primary beneficiaries are the residents of the Housing Authority's designated South Scattered Sites area and the community-at-large.

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**MAJOR OBJECTIVES FOR FY 2008-09:**

1. To increase the number of patient visits to the Telemedicine Clinic.
2. Expand the types of medical services offered at the clinic.
3. Conduct outreach to improve public health education.

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**PROGRAM BUDGET INFORMATION:**

	<u>2007-08 BUDGET</u>	<u>2007-08 ESTIMATE</u>	<u>2008-09 BUDGET</u>
Salary and Benefits	\$0	\$0	\$0
Non-Personal Services	\$120,000	\$7,000	\$117,000
Subventions	\$0	\$0	\$0
Capital Outlay	\$0	\$0	\$0
Transfers	\$0	\$0	\$0
<b>TOTAL</b>	<u>\$120,000</u>	<u>\$7,000</u>	<u>\$117,000</u>
Number of Regular Employees	0.00	0.00	0.00
Number of Contract Employees	0.00	0.00	0.00



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**Program:** Cooperative Extension  
**Division:** Office of Executive Management

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**MISSION:**

Provide educational programs and activities in the areas of youth development, urban gardening, nutrition, and consumer science that enable youth and adults to make good decisions and lead better lives.

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**MAJOR OBJECTIVES FOR FY 2008-09:**

1. Provide educational programs focused on family-related concerns such as food and nutrition, family relationships, food safety, consumer issues, and money management.
  2. Through the Expanded Food and Nutrition Education Program (EFNEP) and the 5-a-day Program, teach homemakers with limited incomes how to improve family diets, make better use of available resources, improve their food preparation skills, and eat more fruits and vegetables.
  3. Offer nutrition, gardening and consumer science programs designed for and targeted specifically towards seniors living in public housing. Provide on-site workshops for seniors on healthy eating, recipe demonstrations, fitness, and food safety.
  4. Upon request, provide various training including community service, goal setting, college access for teen residents and/or families at CDC sites, 4-H volunteers including education and technical assistance, and youth health and nutrition.
  5. Provide training, educational materials and technical assistance to family and senior housing residents who want to grow more of their own fruits and vegetables to augment their food budget.
  6. Provide training and technical assistance as requested on various landscaping and horticulture projects at County public housing sites, in conjunction with The Growing Experience.
- 

**PROGRAM BUDGET INFORMATION:**

	<u>2007-08 BUDGET</u>	<u>2007-08 ESTIMATE</u>	<u>2008-09 BUDGET</u>
Salary and Benefits	\$0	\$0	\$0
Non-Personal Services	\$460,000	\$410,000	\$430,000
Capital Outlay	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL	<u>\$460,000</u>	<u>\$410,000</u>	<u>\$430,000</u>
Number of Regular Employees	0.00	0.00	0.00
Number of Contract Employees	0.00	0.00	0.00

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**Program:** Youth In Focus  
**Division:** Executive Office

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**MISSION:**

To teach photography and encourage positive self-esteem in at-risk youth within public housing communities.

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**MAJOR OBJECTIVES FOR FY 2008-09:**

1. Maintain and increase youth participation in the Youth In Focus (YIF) photography program at four public housing sites.
2. Seek sponsorship of in-kind donations and program operational expense.
3. Enhance the newly introduced digital component of the existing program to include photo/video journalism.
4. Increase program visibility by means of photographic exhibits and program marketing as well as development of a year-end calendar.
6. Expand and update the project's civil service activity to include a multi-site performance enhanced with educational field trips and activities while documenting community events.

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**PROGRAM BUDGET INFORMATION:**

	<u>2007-08 BUDGET</u>	<u>2007-08 ESTIMATE</u>	<u>2008-09 BUDGET</u>
Salary and Benefits	\$51,200	\$300	\$0
Non-Personal Services	\$86,900	\$38,300	\$62,500
Subventions	\$0	\$0	\$0
Capital Outlay	\$0	\$0	\$0
Transfers	\$0	\$0	\$0
<b>TOTAL</b>	<u>\$138,100</u>	<u>\$38,600</u>	<u>\$62,500</u>
Number of Regular Employees	1.00	0.00	0.00
Number of Contract Employees	0.00	0.00	0.00

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**Program:** Fraud Investigations Unit  
**Division:** Office of Executive Management

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**MISSION:**

Ensure compliance with federal regulations and program requirements to reduce the incidence of fraud and criminal activity among Housing Choice Voucher (Section 8) tenants and public housing residents.

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**MAJOR OBJECTIVES FOR FY 2008-09:**

1. Respond to Fraud Hot Line calls within 48 hours, and investigate as appropriate.
2. Strengthen partnerships with the Los Angeles County Sheriff's Department and local law enforcement to reduce the incidence of criminal activity.
3. Provide training to landlords and property managers on effective ways to screen tenants.
4. Conduct compliance checks with tenants whose conduct threatens the health, safety, or right to peaceful enjoyment of their premises.
5. Provide fraud investigative services to local municipalities under memoranda of understanding.

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**PROGRAM BUDGET INFORMATION:**

	2007-08 BUDGET	2007-08 ESTIMATE	2008-09 BUDGET
Salary and Benefits	\$633,200	\$700,300	\$791,000
Non-Personal Services	\$183,200	\$187,500	\$228,700
Subventions	\$0	\$0	\$0
Capital Outlay	\$0	\$0	\$0
Transfers	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$816,400</b>	<b>\$887,800</b>	<b>\$1,019,700</b>
Number of Regular Employees	1.00	1.00	1.00
Number of Contract Employees	4.27	6.17	7.37

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**Program:** Office of Community and Educational Partnerships (OCEP)  
**Division:** Executive Office

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**MISSION:**

To provide needs-based programs and services to the agency and the communities it serves. OCEP's goal is to build bridges and support productive partnerships between the CDC, educational institutions, community organizations and other agencies/its community.

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**MAJOR OBJECTIVES FOR FY 2008-09:**

1. Develop and maintain quality academic placements to meet the needs of the CDC and its communities through academic internships, service learning, practicums and other civically engaged programs.
  2. Continue internship programs to support the CDC in the following areas: after-school education, social service programs, crime and safety, workforce development, recreation programming, art, human resources & training, information technology, community and economic development, public administration and research.
  3. Continue to implement and oversee the AmeriCorp\*VISTA project for Resident Services Program in HACoLA public housing in the following areas: education and literacy, youth development, senior services, and resource development.
  4. Continue to improve quality resident services programs and services to promote self-sufficiency and the quality of life for children, families, seniors, and persons with disabilities in HACoLA public housing.
  5. Develop, implement and provide long-term financial sustainability strategy of resident services programs in HACoLA public housing through the collaborative partnership with the Los Angeles County Community Development Foundation.
  6. Continue to oversee and implement ROSS Family and Elderly Grants and monitor program delivery to HACoLA public housing residents.
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**PROGRAM BUDGET INFORMATION:**

	2007-08 BUDGET	2007-08 ESTIMATE	2008-09 BUDGET
Salary and Benefits	\$1,038,200	\$855,400	\$1,017,300
Non-Personal Services	\$823,400	\$604,500	\$1,040,200
Subventions	\$0	\$0	\$0
Capital Outlay	\$6,000	\$0	\$0
Transfers	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$1,867,600</b>	<b>\$1,459,900</b>	<b>\$2,057,500</b>
Number of Regular Employees	5.00	4.00	6.00
Number of Contract Employees	8.50	6.00	8.00

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**Program:** City of Industry Tax Increment  
**Division:** Housing Development and Preservation

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**MISSION:**

To implement an approved strategy for the allocation and distribution of the City of Industry funds for the development of housing for low-income individuals, households, and special needs populations.

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**MAJOR OBJECTIVES FOR FY 2008-09:**

1. Allocate Round 12 funds through NOFA process for approximately \$10 million for 150 units.
2. Begin or continue construction for 3 Special Needs project involving 75 units.
3. Receive Certificate of Occupancy and complete 6 special needs projects for 161 units involving \$4.04 million of Industry funds.
4. Initiate and continue 4 Affordable Housing project involving 91 units.
5. Begin or continue construction on 9 affordable Development projects for 405 units involving \$2 million of Industry funds
6. Receive Certificate of Occupancy and complete 7 Affordable Development projects for 316 units involving \$3.8 million of Industry funds.

\*Special Needs Housing includes housing for the developmentally disabled, mentally ill, victims of domestic violence, emancipated foster youth, persons with HIV/AIDS, homeless and at risk of homeless families, homeless frequent users of the Department of Mental Health and Health Services systems.

\*\*Affordable Housing includes multifamily rental housing, rental housing for seniors, and affordable for-sale housing.

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**PROGRAM BUDGET INFORMATION:**

	2007-08 BUDGET	2007-08 ESTIMATE	2008-09 BUDGET
Salary and Benefits	\$430,800	\$497,200	\$621,800
Non-Personal Services	\$24,700	\$23,200	\$23,700
Subventions	\$7,362,100	\$14,374,700	\$11,530,400
Capital Outlay	\$294,900	\$169,500	\$354,000
Transfers	\$899,100	\$811,600	\$1,330,900
<b>TOTAL</b>	<b>\$9,011,600</b>	<b>\$15,876,200</b>	<b>\$13,860,800</b>
Number of Regular Employees	4.33	5.38	6.76
Number of Contract Employees	0.60	0.00	0.00

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**Program:** Condo Conversions  
**Division:** Housing Development and Preservation

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**MISSION:**

Generate additional rental housing, transitional housing or homeless shelters in Los Angeles County using grants or loans of condominium conversion fees.

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**MAJOR OBJECTIVES FOR FY 2008-09:**

1. Complete predevelopment on Coteau III project and commence construction of 6 multi-family units for emancipated foster youth.
2. Complete predevelopment activities on Casa Dominguez project and commence construction of 70 units of affordable multifamily housing.

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**PROGRAM BUDGET INFORMATION:**

	<u>2007-08 BUDGET</u>	<u>2007-08 ESTIMATE</u>	<u>2008-09 BUDGET</u>
Subventions	\$0	\$0	\$1,100,000
Capital Outlay	\$0	\$0	\$187,500
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,287,500</b>
Number of Regular Employees	0.00	0.00	0.00
Number of Contract Employees	0.00	0.00	0.00

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**Program:** Traffic Violator School Monitoring  
**Division:** Office of Executive Management

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**MISSION:**

Administer the Traffic Violator School Monitoring Program for the County of Los Angeles as required for compliance with Section 11205 of the Vehicle Code of the State of California.

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**MAJOR OBJECTIVES FOR FY 2008-09:**

1. Conduct monitorings of each traffic violator school on the Los Angeles County Classroom Location List at least once every 90 days; and audit each schools' business office annually.
  2. Monitor and audit each of the approved Home Study Traffic Schools on the Los Angeles Superior Court list by both on-line and site visits.
  3. Provide copies of all monitoring and audit reports to the Department of Motor Vehicles and Superior Court.
  4. Publish and provide the Superior Court with a list of approved traffic violator schools in Los Angeles County on a quarterly basis.
  5. Respond to all inquiries and complaints within 15 working days.
  6. Continue the Los Angeles County Sheriff Department fraud detection program providing undercover work and law enforcement services for TVSM to reduce traffic school fraud in the County.
  7. Process and evaluate Home Study Traffic School applications and courses for the Home Study program, and assist the Superior in maintaining the listing of approved schools.
- 

**PROGRAM BUDGET INFORMATION:**

	2007-08 BUDGET	2007-08 ESTIMATE	2008-09 BUDGET
Salary and Benefits	\$1,053,000	\$1,039,900	\$1,042,600
Non-Personal Services	\$448,800	\$457,500	\$439,400
Subventions	\$0	\$0	\$0
Capital Outlay	\$0	\$0	\$0
Transfers	\$136,200	\$127,200	\$132,700
<b>TOTAL</b>	<b>\$1,638,000</b>	<b>\$1,624,600</b>	<b>\$1,614,700</b>
Number of Regular Employees	16.00	16.00	16.00
Number of Contract Employees	0.00	0.00	0.00



**HOUSING AUTHORITY  
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755  
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**Gloria Molina**  
**Yvonne Brathwaite Burke**  
**Zev Yaroslavsky**  
**Don Knabe**  
**Michael D. Antonovich**  
*Commissioners*

**Carlos Jackson**  
*Executive Director*

May 28, 2008

Honorable Housing Commissioners  
Housing Authority of the  
County of Los Angeles  
2 Coral Circle  
Monterey Park, California 91755

Dear Commissioners:

**APPROVE CONSTRUCTION CONTRACT FOR  
CARMELITOS METAL PLATE INSTALLATION AND STAIR TREAD  
REPLACEMENT PROJECT (4)**

**SUBJECT:**

Approval of the construction contract will improve the interior stairs for 462 units at the Carmelitos Family Housing Development located at 1000 Via Wanda Avenue in the City of Long Beach, and provide the residents with decent and safe living conditions.

**IT IS RECOMMENDED THAT YOUR COMMISSION:**

1. Recommend that the Board of Commissioners find that the approval of a construction contract (Contract) for interior stairs improvements at the Carmelitos housing development is exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve and authorize the Executive Director of the Housing Authority to execute a Contract in the amount of \$1,141,200, in substantially the form of the attached, and all related documents, with Newman Midland Corporation to complete the metal plate installation and stair tread replacement at the subject property, to be effective following execution by all parties and the issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval.





3. Recommend that the Board of Commissioners authorize the Executive Director to approve Contract change orders not exceeding \$228,240 for unforeseen project costs.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

The purpose of this action is to award a Contract to complete the metal plate installation and stair tread replacement at the Carmelitos Family Housing Development.

**FISCAL IMPACT/FINANCING:**

There is no impact on the County general fund. The Housing Authority will fund the metal plate installation and stair tread replacement with \$1,141,200, using a total of \$250,000 in CDBG funds allocated to the 4<sup>th</sup> Supervisorial District and \$891,200 in CDBG Float Loan funds allocated by HUD. A 20% contingency, in the amount of \$228,240, is also being set aside for unforeseen costs, a total of \$108,800 in CDBG Float Loan funds allocated by HUD and \$119,440 in CFP funds also allocated by HUD. The funds are included in the Fiscal Year 2008-2009 annual Housing Authority budget submission.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

The metal plate installation and stair tread replacement at the Carmelitos Family Housing Development is part of the HUD-approved Five-Year Action Plan under CFP. The scope of work includes demolition of existing stair treads, installation of metal plates, stair tread replacement, and painting, to include all associated work for each work item.

The improvements are being federally funded, and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, Newman Midland Corporation will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

The Housing Authority has selected Newman Midland Corporation to complete the project. The Contract has been approved as to form by County Counsel and executed by Newman Midland Corporation.

**ENVIRONMENTAL DOCUMENTATION:**

Pursuant to Title 24 of the Code of Federal Regulations, Section 58.35 (a)(3)(ii), this action is excluded from the National Environmental Policy Act (NEPA) because it involves activities that will not alter existing environmental conditions. The action is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301 because it does not have the potential for causing a significant effect on the environment.

**CONTRACTING PROCESS:**

On March 10, 2008, the Housing Authority initiated an outreach to identify a contractor to complete the work at the subject property. Invitations for Bids were mailed to all Class B and C-15 licensed contractors identified from the Housing Authority's vendor list. Advertisements also appeared in seven local newspapers and on the County WebVen website. Seven bid packages were requested and distributed.

On April 10, 2008, one bid was received and formally opened. The bid, submitted by Newman Midland Corporation, was determined to be the most responsive and is being recommended for the Contract award. The Summary of Outreach Activities is provided as Attachment A.

**IMPACT ON CURRENT PROJECT:**

The award of the Contract will improve the interior stairs of the units in order to provide the residents with decent and safe living conditions.

Respectfully submitted,

  
for CARLOS JACKSON  
Executive Director

Attachments: 2

## ATTACHMENT A

### Summary of Outreach Activities

#### Carmelitos Metal Plate Installation and Stair Tread Replacement Project

On March 10, 2008, the following outreach was initiated to identify a contractor for the metal plate installation and stair tread replacement at the Carmelitos housing development located at 1000 Via Wanda Avenue, in the City of Long Beach.

#### A. Newspaper Advertising

Announcements appeared in the following seven local newspapers:

Dodge Construction News	Los Angeles Sentinel
Eastern Group Publications	Los Angeles Times
International Daily News	The Daily News
La Opinion	Long Beach Press Telegram
WAVE Community Newspapers	

An announcement was also posted on the County Web Site.

#### B. Distribution of Bid Packages

The Housing Authority's vendor list was used to mail out Invitations for Bids to 653 B and C-15 licensed contractors, of which 431 identified themselves as businesses owned by minorities or women (private firms which are 51 percent owned by minorities or women, or publicly-owned businesses in which 51 percent of the stock is owned by minorities or women). As a result of the outreach, twenty bid packages were requested and distributed.

#### C. Pre-Bid Conference and Site Walk

On March 27, 2008, a mandatory pre-bid conference and site walk was conducted. Fifteen firms were in attendance.

#### D. Bid Results

On April 10, 2008, a total of one bid was received and publicly opened. The bid result is as follows:

<u>Company</u>	<u>Bid Amount</u>
Newman Midland Corporation	\$1,141,200

E. Minority/Female Participation – Selected Contractor

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Newman Midland Corporation	Non-Minority	Total: 5
		1 Minorities
		1 Women
		20% Minorities
		20% Women

The Housing Authority conducts ongoing outreach to include minorities and women in the contract award process, including: providing information at local and national conferences; conducting seminars for minorities and women regarding programs and services; advertising in newspapers to invite placement on the vendor list; and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Housing Authority.

The recommended award of the contract is being made in accordance with the Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.

**Contract Summary**

**Project Name:** Carmelitos Metal Plate Installation and Stair Tread Replacement Project  
**Location:** 1000 Via Wanda Avenue, in the City of Long Beach  
**Bid Number:** CDC08-395  
**Bid Date:** April 10, 2008  
**Contractor:** Newman Midland Corporation  
**Services:** Metal Plate Installation & Stair Tread Replacement

**Contract Documents:** Part A – Instructions to Bidders and General Conditions; Part B – Specifications; Part C – Bidder's Documents, Representations, Certifications, Bid, and Other Statements of Bidder; all Addenda to the Contract Documents.

**Time of Commencement and Completion:** The work to be performed under this Contract shall be commenced within ten (10) days after a Notice to Proceed is received by the Contractor, or on the date specified in the Notice, whichever is later, and shall be completed within Sixty (60) calendar days following the required commencement date.

**Liquidated Damages:** In the event of breach of contract, the Contractor and his/her sureties shall be liable for, and shall pay to the Housing Authority the sum of **Four Hundred Dollars and Zero Cents (\$400.00)** as liquidated damages for each calendar day of delay, until the Work is accepted by the Owner.

**Contract Sum:** The Housing Authority shall pay the Contractor for the performance of the Construction Contract subject to additions and deductions by Change Order(s) as provided in the Contract Documents, in current funds, the sum of **One Million One Hundred Forty One Thousand Two Hundred Dollars (\$1,141,200.00)**. The Contract Sum is not subject to escalation, includes all labor and material increases anticipated throughout the duration of this Construction Contract.

**Contract Contingency:** \$228,240



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**Gloria Molina**  
**Yvonne Brathwaite Burke**  
**Zev Yaroslavsky**  
**Don Knabe**  
**Michael D. Antonovich**  
Commissioners

**Carlos Jackson**  
Executive Director

May 28, 2008

Honorable Housing Commissioners  
Housing Authority of the  
County of Los Angeles  
2 Coral Circle  
Monterey Park, California 91755

Dear Commissioners:

**APPROVE CONSTRUCTION CONTRACT FOR FLOORING REPLACEMENT  
AT THREE HOUSING AUTHORITY SENIOR HOUSING DEVELOPMENTS (1, 5)**

**SUBJECT:**

Approval of the Contract will provide for flooring replacement at three Housing Authority senior housing developments: Herbert Avenue located at 133 South Herbert Avenue in unincorporated East Los Angeles, Whittier Manor located at 11527 Slauson Avenue in the unincorporated area of Whittier, and Foothill Villa located 2423 Foothill Boulevard, in La Crescenta.

**IT IS RECOMMENDED THAT YOUR COMMISSION:**

1. Recommend that the Board of Commissioners find that the approval of a construction contract (Contract) for flooring replacement at Herbert Avenue, Whittier Manor, and Foothill Villa is exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve and authorize the Executive Director to execute a Contract in the amount of \$318,333 to Continental Flooring Company dba Arizona Continental Flooring Company, to complete the flooring replacement at the subject properties, following approval as to form by County Counsel and effective upon the issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval.

3. Recommend that the Board of Commissioners authorize the Executive Director to approve Contract change orders not exceeding \$79,583 for unforeseen project costs.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

The purpose of this action is to award a Contract to complete flooring replacement at the, Herbert Avenue, Whittier Manor, and Foothill Villa senior housing developments.

**FISCAL IMPACT/FINANCING:**

There is no impact on the County general fund. The Housing Authority will fund the improvements with \$60,000 in Community Development Block Grant (CDBG) funds and \$258,333 in Capital Fund Program (CFP) funds allocated by the U.S. Department of Housing and Urban Development (HUD). A 25% contingency, in the amount of \$79,583 in CFP funds, is also being set aside for unforeseen costs. The funds are included in the Fiscal Year 2008-2009 annual Housing Authority budget submission.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

The scope of work for the flooring replacement project at the three senior housing developments is as follows:

1. Herbert Avenue: New carpet in all units, vinyl tiles in the kitchens and sheet vinyl in the bathrooms, excluding the ADA accessible bathrooms.
2. Whittier Manor: New stair tread, riser, and stringer covers in both stairwells of the housing development.
3. Foothill Villa: New carpet in all units, sheet vinyl in the kitchens and bathrooms, excluding the ADA accessible units, and new stair tread risers and stringer covers in the stairwells of the parking garage.

The improvements are being federally funded, and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, Continental Flooring Company dba: Arizona Continental Flooring Company will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

The Housing Authority has selected Continental Flooring Company dba Arizona Continental Flooring Company to complete the flooring replacement. The Contract has been approved as to form by County Counsel and executed by Continental Flooring Company dba Arizona Continental Flooring Company.

**ENVIRONMENTAL DOCUMENTATION:**

Pursuant to Title 24 of the Code of Federal Regulations, Section 58.35 (a)(3)(ii), this action is excluded from the National Environmental Policy Act (NEPA) because it involves activities that will not alter existing environmental conditions. The action is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301 because it does not have the potential for causing a significant effect on the environment.

**CONTRACTING PROCESS:**

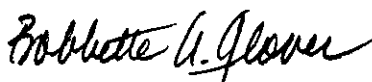
On March 4, 2008, the Housing Authority initiated an outreach to identify a contractor to complete the work at the subject property. Invitations for Bids were mailed to 142 flooring contractors identified from the Housing Authority's vendor list. Advertisements also appeared in eight local newspapers and on the County WebVen website. Ten bid packages were requested and distributed.

On April 2, 2008, three bids were received and formally opened. The lowest bid, submitted by Capital Development, Inc., was determined to be non-responsive because the firm could not provide three references demonstrating successful completion of at least three flooring projects within California, each with a value in excess of \$100,000, within the last five years. The second-lowest bid, submitted by Continental Flooring Company dba Arizona Continental Flooring Company, was determined to be responsive and is being recommended for the Contract award. The Summary of Outreach Activities is provided as Attachment A.

**IMPACT ON CURRENT PROJECT:**

The award of the Contract will provide the residents with decent, safe, and sanitary living conditions.

Respectfully submitted,

  
for CARLOS JACKSON  
Executive Director

Attachments: 2



## ATTACHMENT A

### Summary of Outreach Activities

#### Flooring Replacement Project at Three Sites (3) - Foothill Villa, Herbert Avenue and Whittier Manor Senior Housing Developments

On March 4, 2008, the following outreach was initiated to identify a contractor for flooring replacement at the Foothill Villa senior housing development, located at 2423 Foothill Blvd, in the City of La Crescenta, Herbert Avenue senior housing development located at 133 S. Herbert Avenue in the City of Los Angeles,, and the Whittier Manor senior housing development, located at 11527 Slauson Avenue, in the City of Whittier, in the unincorporated area of Los Angeles County.

#### A. Newspaper Advertising

Announcements appeared in the following eight local newspapers:

Dodge Construction News	Los Angeles Sentinel
Eastside Sun	Los Angeles Times
International Daily News	The Daily News
La Opinion	WAVE Community Newspapers

An announcement was also posted on the County Web Site.

#### B. Distribution of Bid Packages

The Housing Authority's vendor list was used to mail out Invitations for Bids to 142 flooring contractors, of which 130 identified themselves as businesses owned by minorities or women (private firms which are 51 percent owned by minorities or women, or publicly-owned businesses in which 51 percent of the stock is owned by minorities or women). As a result of the outreach, ten bid packages were requested and distributed.

#### C. Pre-Bid Conference and Site Walk

On March 13, 2008, a recommended pre-bid conference and site walk was conducted. Five firms were in attendance.

#### D. Bid Results

On April 2, 2008, a total of three bids were received and publicly opened. The bid result was as follows:

<u>Company</u>	<u>Bid Amount</u>
Capital Development	\$198,000
Continental Flooring Company	\$318,333
Reliable Floor Covering, Inc	\$330,000

E. Minority/Female Participation – Selected Contractor

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Continental Flooring Company dba: Arizona Continental Flooring Company	Non-minority	Total: 32  20 Minorities  2 Women 63% Minorities 7% Women
J. C. Royal Carpets (Sub) Installer	Non Minority	Info unavailable

F. Minority/Female Participation – Firms Not Selected

Capital Development, Inc.	Minority	Total: 4 3 Minorities 2 Women 75% Minorities 50% Women
Reliable Floor Covering Inc	Non-minority	Total: 34 28 Minorities 2 Women 83% Minorities 6% Women

The Housing Authority conducts ongoing outreach to include minorities and women in the contract award process, including: providing information at local and national conferences; conducting seminars for minorities and women regarding programs and services; advertising in newspapers to invite placement on the vendor list; and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Housing Authority.

The recommended award of the contract is being made in accordance with the Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.

**Contract Summary**

**Project Name:** Flooring Replacement Project at Three Sites,, Herbert Avenue, Whittier Manor, and Foothill Villa senior housing developments  
**Location:** 133 South Herbert Avenue in unincorporated East Los Angeles  
11527 Slauson Avenue in the unincorporated area of Whittier  
2423 Foothill Boulevard, in La Crescenta  
**Bid Number:** CDC-08-364  
**Bid Date:** March 4, 2008  
**Contractor:** Continental Flooring Company dba: Arizona Continental Flooring Company  
**Services:** Flooring replacement at three senior housing developments

**Contract Documents:** Part A – Instructions to Bidders and General Conditions; Part B – Specifications; Part C – Bidder's Documents, Representations, Certifications, Bid, and Other Statements of Bidder; all addenda to the Contract Documents.

**Time of Commencement and Completion:** The work to be performed under this Contract shall be commenced within ten (10) days after a Notice to Proceed is received by the Contractor, or on the date specified in the Notice, whichever is later, and shall be completed within Ninety (90) calendar days following the required commencement date.

**Liquidated Damages:** In the event of breach of contract, the Contractor and his/her sureties shall be liable for, and shall pay to the Housing Authority the sum of **Four Hundred Dollars and Zero Cents (\$400.00)** as liquidated damages for each calendar day of delay, until the Work is accepted by the Owner.

**Contract Sum:** The Housing Authority shall pay the Contractor for the performance of the Construction Contract subject to additions and deductions by Change Order(s) as provided in the Contract Documents, in current funds, the sum of **Three Hundred Eighteen Thousand Three Hundred Thirty-three Dollars and Zero Cents (\$318,333.00)**. The Contract Sum is not subject to escalation, includes all labor and material increases anticipated throughout the duration of this Construction Contract.

**Contract Contingency:** \$79,583.25



**HOUSING AUTHORITY  
of the County of Los Angeles**

Administrative Office

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323.890.7001 • TTY: 323.838.7449 • [www.lacdc.org](http://www.lacdc.org)



**Gloria Molina**  
**Yvonne Brathwaite Burke**  
**Zev Yaroslavsky**  
**Don Knabe**  
**Michael D. Antonovich**  
Commissioners

**Carlos Jackson**  
Executive Director

May 28, 2008

Honorable Housing Commissioners  
Housing Authority of the  
County of Los Angeles  
2 Coral Circle  
Monterey Park, California 91755

Dear Commissioners:

**ACCEPT RESIDENT OPPORTUNITIES AND SELF-SUFFICIENCY RESIDENT  
SERVICE DELIVERY MODELS PROGRAM FUNDS FROM THE U.S.  
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (ALL DISTRICTS)**

**SUBJECT:**

This Board Letter requests authority to accept from the U.S. Department of Housing and Urban Development (HUD) a \$450,000 grant of Resident Opportunities and Self-Sufficiency Resident Service Delivery Models Program (ROSS Program) funds. These funds will be used to implement a three-year supportive services program to promote independent living for up to 1,429 elderly and persons with disabilities.

**IT IS RECOMMENDED THAT YOUR COMMISSION:**

1. Recommend that the Board of Commissioners find that acceptance of the Resident Opportunities and Self-Sufficiency Resident Service Delivery Models Program (ROSS Program) funds is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the activities are not defined as a project under CEQA.
2. Recommend that the Board of Commissioners authorize the Executive Director to accept from the U.S. Department of Housing and Urban Development (HUD) a \$450,000 grant of Resident Opportunities and Self-Sufficiency Resident Service Delivery Models Program (ROSS Program) funds to implement a three-year supportive services program to promote independent living for up to 1,429 elderly and persons with disabilities who reside at the 14 conventional public housing sites identified in Attachment



- A; and authorize the Executive Director to execute all documents required for receipt of the grant.
3. Recommend that the Board of Commissioners authorize the Executive Director to prepare and execute contracts and any amendments thereto as needed, with multiple community organizations and service providers, in a combined total amount not to exceed \$450,000, to assist with program planning, implementation, and administration of activities, in accordance with HUD requirements, following approval as to form by County Counsel.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

The purpose of this action is to authorize the Housing Authority to accept from HUD \$450,000 in ROSS Program funds to implement a comprehensive supportive services program that promotes independent living for the elderly and persons with disabilities who reside in 14 conventional public housing sites.

**FISCAL IMPACT/FINANCING:**

There is no impact on the County general fund. The \$450,000 grant, included in the Housing Authority's Fiscal Year 2008-2009 approved budget, will be matched by over \$419,000 in in-kind services from community organizations and service providers.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

In August 2007, the Housing Authority submitted a funding application to HUD under the 2007 ROSS Elderly and Persons with Disabilities Program. For Fiscal Year 2007-2008, \$10 million was available for this program through a nationally competitive awards process.

In March 2008, HUD awarded the Housing Authority a \$450,000 grant. Funds will be used to provide the elderly and persons with disabilities who are public housing residents with an array of supportive services including: program coordination, home assistance, health and nutrition programs transportation assistance, translation services, home-delivered meal programs, case management, resource referral, and other related activities designed to promote independence and increase quality of life.

**ENVIRONMENTAL DOCUMENTATION:**

This project is exempt from the provisions of the National Environmental Policy Act (NEPA) pursuant to 24 Code of Federal Regulations Part 58, Section 58.34(a)(4), because it involves public service activities that will not have a physical impact on or result in any physical changes to the environment. The

activities are not subject to the provisions of the California Environmental Quality Act (CEQA), pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

**IMPACT ON CURRENT PROGRAMS:**

The grant will enable the Housing Authority to implement programs and services that promote independent living and an improved quality of life for the elderly and persons with disabilities.

Respectfully submitted,

  
for CARLOS JACKSON  
Executive Director

Attachments: 1

**ATTACHMENT A**  
**ROSS PROGRAM SITES**

**LARGE SITES**

**CARMELITOS**

700-1100 Via Wanda  
900 Via Carmelitos  
Long Beach, CA 90805

**HARBOR HILLS**

26607 S. Western Ave.  
Lomita, CA 90717

**NUEVA MARAVILLA**

4919 Cesar E. Chavez Ave.  
Los Angeles, CA 90022

**LOMITA MANOR**

24925 Walnut Street  
Lomita, CA 90717

**WEST COUNTY**

**WEST KNOLL APTS.**

838 West Knoll Dr.  
West Hollywood, CA 90069

**PALM APTS.**

959 Palm Ave.  
West Hollywood, CA 90069

**MARINA MANOR I**

3401 Via Dolce  
Marina Del Rey, CA 90292

**MARINA MANOR II**

3405 Via Dolce  
Marina Del Rey, CA 90292

**NORTH COUNTY**

**FOOTHILL VILLA**

2423 Foothill Blvd.  
La Crescenta, CA 91214

**ORCHARD ARMS**

23410-23540 Wiley Canyon Rd.  
Valencia, CA 91355

**EAST COUNTY**

**WHITTIER MANOR**

11527 Slauson Ave.  
Whittier, CA 90606

**HERBERT AVE.**

133 Herbert Ave.  
Los Angeles, CA 90063

**SOUTH COUNTY**

**SOUTHBAY GARDENS**

230 E. 130<sup>th</sup> St.  
Los Angeles, CA 90061

**FRANCISQUITO VILLA**

14622 Francisquito Ave.  
La Puente, CA 91746



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**Gloria Molina**  
**Yvonne Brathwaite Burke**  
**Zev Yaroslavsky**  
**Don Knabe**  
**Michael D. Antonovich**  
Commissioners

**Carlos Jackson**  
Executive Director

May 28, 2008

Honorable Housing Commissioners  
Housing Authority of the  
County of Los Angeles  
2 Coral Circle  
Monterey Park, California 91755

Dear Commissioners:

**APPROVE PURCHASE AGREEMENT FOR INTERIOR PAINT FOR  
MAINTENANCE OF HOUSING AUTHORITY PROPERTIES (ALL DISTRICTS)**

**SUBJECT:**

Approval of the purchase agreement will ensure the availability of interior paint for the maintenance of the Housing Authority's housing developments.

**IT IS RECOMMENDED THAT YOUR COMMISSION:**

1. Recommend that the Board of Commissioners find that the approval of a purchase agreement (Agreement) for interior paint is exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the activities will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve and authorize the Executive Director of the Housing Authority to execute an Agreement, in substantially the form of the attached, and all related documents, in an amount not to exceed \$102,995, with Vista Paint Corporation, for a one-time purchase of 1,500 gallons of interior paint for the maintenance of 56 housing developments located throughout Los Angeles County, to be effective following approval as to form by County Counsel and execution by all parties.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

The purpose of this action is to purchase quality paint for routine property maintenance and to prepare vacated housing units for occupancy.



**FISCAL IMPACT/FINANCING:**

There is no impact on the County general fund. The Agreement will be funded with an \$102,995 in Capital Fund Program funds allocated by the U.S. Department of Housing and Urban Development (HUD), and included in the Housing Authority's approved Fiscal Year 2007-2008 budget.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

The Housing Authority manages approximately 2,962 units of senior and family housing at 56 sites throughout the County. The Housing Authority wishes to purchase 1,500 gallons of paint for the maintenance of unit interiors and other miscellaneous paint requirements.

Should Vista Paint Corporation require additional or replacement personnel during the term of the Agreement, it will give consideration for any such employment openings to participants in the County's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program and General Relief Opportunity for Work (GROW) Program who meet the minimum qualifications for the open positions. Vista Paint Corporation will contact the County's GAIN/GROW Division for a list of participants by job category.

The Agreement has been approved as to form by County Counsel and executed by Vista Paint Corporation.

**ENVIRONMENTAL DOCUMENTATION:**

Pursuant to Title 24 of the Code of Federal Regulations, Section 58.35 (a)(3)(ii), this action is excluded from the National Environmental Policy Act (NEPA) because it involves activities that will not alter existing environmental conditions. The action is exempt from the provisions of the CEQA pursuant to State CEQA Guidelines Section 15301 because it does not have the potential for causing a significant effect on the environment.

**CONTRACTING PROCESS:**

During the week of March 3, 2008, the Housing Authority initiated an outreach to identify a vendor to provide the interior paint for the subject properties. Invitations for Bids were mailed to 100 firms identified from the Housing Authority's vendor list. Advertisements also appeared in eight newspapers and on the County's WebVen website and the CDC Web Site. Twenty bid packages were requested and distributed.

On March 28, 2008, six bids were received and formally opened. The Housing Authority's maintenance staff evaluated the interior semi-gloss water-based paint samples submitted by the six vendors. As a bid requirement, each of the six vendors


provided two five-gallon containers of paint in unmarked pails which were assigned numbers at the time of delivery so that the evaluators could not identify the brands of paint being tested. Blind tests were performed to evaluate the quality of the paint based on color, condition of paint, smell, single-coat application, drying time, and ease of clean-up.

The lowest, most responsive bid, submitted by Vista Paint Corporation, is being recommended for the Agreement award.

**IMPACT ON CURRENT PROJECT:**

The purchase of this interior paint will ensure high quality paint at a reasonable cost to the Housing Authority over the next year in order to maintain the Housing Authority's units in good condition.

Respectfully submitted,

  
for CARLOS JACKSON  
Executive Director

Attachments: 2

## ATTACHMENT A

### Summary of Outreach Activities

#### Purchase of Interior Paint

During the week of March 3, 2008, the following outreach was initiated to identify paint manufacturing companies to provide interior paint for all Housing Authority housing developments located in Los Angeles County.

#### A. Newspaper Advertising

Announcements appeared in the following eight local newspapers:

The Daily News	Long Beach Press Telegram
Eastside Sun	Los Angeles Sentinel
International Daily News	Los Angeles Times
La Opinion	Wave Publications Group

An announcement was also posted on the County's WebVen website and on the Commission Web Site.

#### B. Distribution of Bid Packets

The Housing Authority's vendor list was used to mail out the Invitations for Bids (IFB) to 100 paint supply companies. Fifty-six firms identified themselves as firms owned by minorities or women (private firms that are 51 percent owned by minorities or women, or publicly owned businesses, in which 51 percent of the stock is held by minorities or women). As a result of the outreach, 20 bid packages were requested and distributed.

#### C. Bid Results

On March 28, 2008, six bids were received and publicly opened. All paint samples were evaluated by Housing Authority staff maintenance painter for color, condition of paint, smell, single-coat application, drying time, and ease of clean-up.

<u>Vendor</u>	<u>Evaluation Score</u>	<u>Cost per 5-gallon Pail (less tax)</u>
Vista Paint Corporation	23	\$63.43
ICI Paints	23	\$77.20
Pervo Paint Company	21	\$88.45
The Sherwin Williams Company	19	\$66.75
Dunn-Edwards Corp.	19	\$72.95
Visions Paint Recycling, Inc.	17	\$45.00

The paint supplied by the Vista Paint Corporation best meets the IFB specification performance requirements and is therefore being recommended for award of this agreement.

D. Minority/Women Participation – Selected Firm

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Vista Paint Corporation	Non-minority	Total 510 232 Minorities 98 Women 45% Minorities 19% Women

E. Minority/Women Participation – Firms Not Selected

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
ICI Paints	Non-Minority	Total: 5,000 Declined to provide Information.
Pervo Paint Company	Non-minority	Total: 53 28 Minorities 13 Women 52% Minorities 25% Women
The Sherwin-Williams Company	Non-minority	Total: 30,566 5,434 Minorities 6,009 Women 18% Minorities 20% Women
Dunn Edwards Corporation	Non-minority	Total: 1,698 905 Minorities 205 Women 53% Minorities 12% Women
Visions Paint Recycling, Inc.	Non-minority	Total: 9 4 Minorities 2 Women 44% Minorities 22% Women

The Housing Authority conducts ongoing outreach to include minorities and women in the Agreement award process, including: providing information at local and national conferences; conducting seminars for minorities and women regarding programs and services; advertising in newspapers to invite placement on the vendor list; and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Housing Authority.

The recommended award of Agreement is being made in accordance with the Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.

**Contract Summary**

**Project Name:** Interior Paint  
**Location:** Seventy-three (73) housing developments located within the unincorporated area of Los Angeles County  
**Bid Number:** IFB NO. CDC08-391  
**Bid Date:** March 28, 2008  
**Contractor:** Vista Paint Corporation  
**Services:** Provide 1,500 gallons of white paint

**Contract Documents:** A Purchase Order will be issued in an amount not to exceed \$102,995, which includes tax and delivery.

**Time of Commencement and Completion:** Paint must be fully available to be delivered by June 30, 2008.

**Liquidated Damages:** None

**Contract Sum:** A Purchase Order will be issued in an amount not to exceed \$102,995, which includes tax and delivery.

**Contract Contingency:** None



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**Gloria Molina**  
**Yvonne Brathwaite Burke**  
**Zev Yaroslavsky**  
**Don Knabe**  
**Michael D. Antonovich**  
*Commissioners*

**Carlos Jackson**  
*Executive Director*

May 28, 2008

Honorable Housing Commissioners  
Housing Authority of the  
County of Los Angeles  
2 Coral Circle  
Monterey Park, California 91755

Dear Commissioners:

**AWARD ONE-YEAR CONTRACTS TO PROVIDE COUNTYWIDE RELOCATION  
SERVICES (ALL DISTRICTS)**

**SUBJECT**

This letter requests approval of one-year contracts with four consultants to provide relocation services to the Housing Authority. The firms will be assigned relocation projects and will receive compensation based on the scope of services performed, on a project-by-project basis.

**IT IS RECOMMENDED THAT YOUR COMMISSION:**

1. Recommend that the Board of Commissioners find that the execution of one-year Contracts for Consulting Services (Contracts) is not subject to the California Environmental Quality Act (CEQA) because the proposed activity will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve and authorize the Executive Director to execute one-year Contracts with Del Richardson & Associates, Paragon Partners, Ltd., Epic Land Solutions, Inc., and Overland, Pacific & Cutler, Inc., using substantially the form of the attached contract, the aggregate amount of which will not exceed \$500,000, to provide relocation consulting services on a project-by-project basis for various housing projects throughout the County of Los Angeles, to be effective upon approval by County Counsel and execution by all parties.

3. Recommend that the Board of Commissioners authorize the Executive Director to execute amendments to the one-year Contracts, following approval as to form by County Counsel, to extend the time of performance for a maximum of two years, in one-year increments, at \$500,000 for the second year and \$500,000 for the third year, using funds to be approved through the annual budget process.

**PURPOSE /JUSTIFICATION OF RECOMMENDED ACTION:**

The purpose of the recommended action is to enter into Contracts with four firms to provide relocation consulting services for various housing projects throughout the County of Los Angeles.

**FISCAL IMPACT/FINANCING:**

There is no impact on the County general fund. The maximum amount for all three years of the Contracts, if fully extended, will be \$1,500,000.

For the first year of services under the Contracts, the Housing Authority will use a maximum of \$500,000, comprised of HUD funds included in the Housing Authority's approved fiscal year 2008-2009 budget.

After the first year, the Housing Authority may extend the Contracts for an additional two years, in one-year increments, at \$500,000 for the second year and \$500,000 for the third year, contingent upon the availability of funds. Funds for years two and three of the Contracts, if extended, will be requested through the Housing Authority's annual budget process.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

The Uniform Relocation and Real Properties Acquisitions Act of 1970, as amended, governs the relocation activities of all federal and federally-funded agencies. Agencies are to provide relocation advisory services and provide monetary and/or other relocation benefits to individuals and businesses that are displaced as the result of housing, economic development, redevelopment, and environmental projects. The State of California adopted legislation in 1972 with similar requirements. Relocation services are also required when displacement occurs as a result of environmental rehabilitation activities such as noise reduction, asbestos and lead-based paint abatement, and seismic retrofitting of structures.

The proposed Contracts define the basic services to be performed by the four firms over the initial one-year term, firms will perform the following relocation activities: meeting with displaced individuals and businesses, determining eligibility for relocation



assistance, preparing relocation assistance notices and claim forms, conducting replacement dwelling inspections, and completing other related functions. The Contracts may be amended to incorporate specific sites, and detailed scopes of work for each project. The Contracts may also be amended to extend the time of performance for a maximum of two years, in one-year increments, and to include additional projects and compensation.

The firms will be assigned relocation projects and will receive compensation based on the scope of services performed on a project-by-project basis. The addition of projects to each contract will be determined based on the relocation needs, qualifications of the consultant in the various aspects of the relocation process, and the complexity of the assignment. The cost of services will not exceed the negotiated dollar amount for individual relocation assignments or work programs.

Should the firms require additional or replacement personnel after the effective date of the Contracts, the firms will give consideration for any such employment openings to participants in the County's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program who meet the minimum qualifications for the open positions. The firms will contact the County's GAIN Division for a list of participants by job category.

The Contracts will be effective following approval by County Counsel and execution by all parties.

#### **ENVIRONMENTAL DOCUMENTATION:**

The proposed execution of the Contracts is exempt from the National Environmental Policy Act (NEPA) pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3), because it involves administrative activities that will not have a physical impact or result in any physical changes to the environment. The activities are also not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

#### **CONTRACTING PROCESS:**

On March 4, 2008, a Request for Proposals (RFP) process was initiated to identify firms to provide relocation consulting services. An RFP announcement was mailed to 63 relocation consulting firms, which were identified from the Housing Authority's vendor list. Announcements appeared in eight newspapers in the County, (see Attachment A) and on the County's WebVen website. A copy of the RFP was also posted on the Housing Authority's website.

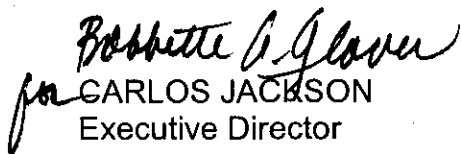
Nine firms submitted proposals. Two proposals failed to meet the minimum requirements of the RFP and were disqualified. The remaining proposals were evaluated, and based on the RFP requirements and the rating process, Overland, Pacific & Cutler, Inc., Paragon Partners, Ltd., Del Richardson & Associates, and Epic Land Solutions, Inc., were selected for inclusion on a list of firms to be utilized on a project-by-project basis.

The Summary of Outreach Activities is provided as Attachment A.

**IMPACT ON CURRENT PROGRAMS:**

The proposed Contracts will provide Countywide relocation services for various housing projects throughout the County of Los Angeles.

Respectfully submitted,

  
CARLOS JACKSON  
Executive Director

Attachments: 1

**ATTACHMENT A**  
**CONTRACTS FOR RELOCATION SERVICES**

Summary of Outreach Activities

On March 4, 2008, the following outreach was initiated to identify qualified firms to provide relocation consulting services.

A. Request for Proposal Advertising

A Request for Proposals (RFP) announcement appeared in the Los Angeles Daily News on March 3, 2008. It also appeared in the following newspapers on March 13, 2008:

Eastside Journal	Montebello News	Southwest Wave
Los Angeles Sentinel	Downey Herald American	La Opinion
International Daily News		

The announcement was also posted on the County's WebVen website.

B. Distribution of Proposal Packets

The Housing Authority's vendor list was used to mail out the RFP to 63 relocation consulting firms, of which 34 identified themselves as businesses owned by minorities or women (private firms which are 51 percent owned by minorities or women, or publicly-owned businesses in which 51 percent of the stock is owned by minorities or women). A total of 33 firms received copies of the RFP by downloading the RFP package from the Housing Authority's website.

C. Proposal Results

By the deadline of April 4, 2008, RFPs were received from nine firms, of which 7 firms indicated they are minority-owned and/or female-owned. The proposals were evaluated, and based on the RFP requirements and rating process, Overland, Pacific & Cutler, Inc., Paragon Partners, Ltd., Del Richardson & Associates, and Epic Land Solutions, Inc., were selected for inclusion on a list of firms to be utilized on a project-by-project basis.

D. Minority/Female Participation – Firms Selected for Pre-Qualified List

<u>Firm Name</u>	<u>Ownership</u>	<u>Employees</u>	
Overland, Pacific & Cutler, Inc.	Non-Minority	108	Total
		32	Minorities
		50	Women
		30%	Minority
		46%	Women
Epic Land Solutions, Inc.	Female	50	Total
		16	Minorities
		16	Women
		32%	Minority
		32%	Women
Del Richardson & Associates, Inc.	Female/Minority	32	Total
		25	Minorities
		17	Women
		78%	Minority
		53%	Women
Paragon Partners, Ltd.	Female	80	Total
		22	Minorities
		28	Women
		27%	Minority
		35%	Women

E. Minority/Female Participation – Firms Not Selected

Henry Nunez Coordinated Land Services	Minority	53	Total
		31	Minorities
		24	Women
		58%	Minority
		77%	Women
Shober Consulting Inc.	Non-Minority	10	Total
		4	Minorities
		3	Woman
		40%	Minority
		30%	Women

<u>Firm Name</u>	<u>Ownership</u>	<u>Employees</u>	
Pearce Consulting Inc.	Female	9	Total
		6	Minorities
		7	Woman
		66%	Minority
		77%	Women
Pacifica Luxury Properties	Minority	14	Total
		10	Minorities
		11	Woman
		71%	Minority
		78%	Women
CRI Appraisals	Minority/Female	2	Total
		2	Minorities
		2	Woman
		100%	Minority
		100%	Women

The Housing Authority encourages the participation of minorities and women in the contract award process including: providing information about the Housing Authority at local and national conferences; conducting seminars for minorities and women regarding the Housing Authority's programs and services; advertising in newspapers to invite placement on the vendor list; and mailing information to associations which represent minorities and women. The above information has been voluntarily provided by the above firms.

The recommendation to award the Consulting Services Contracts to the above firms is being made in accordance with federal regulations, and without regard to race, creed, color, gender, sexual orientation, or religion.